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10 MACHINE-GUNNED

# Massacre at the roadside

Ten men, all Protestants, were massacred by machine-gunners on a remote roadside in South Armagh last night. One of Ulster's worst sectarian assassination is believed to have been the Provos' retaliation for the killing of five Catholics the previous day.

The victoms were in a mini-bus travelling to a Bessbrooke area from their workplace at Glenanne textile factory. All the occupants were ordered out and separated into Catholic and Protestant groups. The Protestants were then sprayed with bullets. One man survived with serious wounds. The attack took place in darkness.

Troops and police drafted into South Armagh after Sunday's shootings converged on the ambush scene to launch a hunt for the killers. There were thought to be more than six of them, all heavily armed.

The terrorists had planned well. The ambush spot was deep in IRA territory where policy and troops can never move with ease. The scene was near where two Catholic brothers were killed by Protestant extremists on Sunday.

Mr. Rees, Ulster Secretary, who had earlier consulted his security advisers about the South Armagh crisis, was being kept in touch with the situation as details came in.

At a meeting with him earlier yesterday, Ulster's loyalist leadership stressed its determination to stand by its formal rejection of power sharing. Back Page, Editorial Comment Page 12.

## NEWS SUMMARY

### GENERAL

## MPLA in success claim

An army communiqué on Luanda Radio yesterday claimed that the Soviet-backed MPLA had captured Carmona, HQ of the rival FNLA and Negage, an important notrhern Angola airbast through which the FNLA gets supplies. In a speech at Worcester, Mr. Peter Walker, MP, accused Russia of steadily "colonising" southern Africa through its Angolan intervention.

In Washington, President Ford called for a ceasefire and warned that the U.S. might tuke limited measures to block unacceptable Soviet activities elsewhere. Pages 7 and 8

### Torture denial

Chile's ambassador in London yesterday called on the Foreign Office to deny officially that Dr. Sheila Cassidy had-been tortured. But later the FO said the answer to Britain's request for an inquiry was not satisfactory and it would go ahead and submit evidence to the UN Human Rights Commission.

### Knock for Enoch

The Home Office last night dismissed Mr. Enoch Powell's latest conclusions about immigration figures as "meaningless," saying he was using a statistic which bore no relation to the number of "new Commonwealth" immigrants who actually settled here. Page 8

### Police jailed

Two British police superintendents were convicted yesterday in Hong Kong of corruption involving more than £100,000 and sentenced to five and three years' imprisonment respectively.

### People and places

Two armed Filipino hijackers surrendered to Manila airport authorities after a 10-hour drama in which they threatened to kill 200 passengers aboard a Japan Air Lines jet.

Former British, European and Commonwealth heavyweight champion Joe Bugner announced his retirement from boxing. "My love for the game has gone," he said.

At least 21 people died and about 30 were injured when a bus plunged off a mountain pass near Durban.

The QE2 docked at Norfolk, Virginia, for repairs to her holed bow after hitting a coral outcrop in the Bahamas. It is hoped it will be back on schedule by Thursday.

Four Greek national daily newspapers face charges of violating Greece's press law by publishing reports on the assassination of CIA agent Richard Welch.

Thousands of West Germans fled there homes yesterday as huge waves whipped up by the week-end storm continued to pound through breached north coast dykes.

### BUSINESS

## Dollar under pressure

● THE DOLLAR lost ground against major currencies especially the Canadian dollar, and its average depreciation widened to 2.07 per cent. (1.79). Sterling put on 80 points against the dollar to $2.0325, with its depreciation unchanged at 30.0 per cent.

● EQUITIES reversed their firm trend of Friday after initial gains, and the FT 30-Share Index closed 3.2 down at 391.6. GILTS, however, continued to benefit from the cut in MLR and the Government Securities Index ended 0.27 up at 60.46.

● GOLD lost $2 to $138¾.

● WALL STREET was 12.35 up at 871.06 just before the close.

● U.K. OFFICIAL reserves fell by $177m. in December to $5.42bn. Back Page

● STANDARD Chartered Bank has cut its base rate by ½ per cent. to 10½ per cent., in line with Lloyds Bank. Other main clearing banks say they are reviewing the position.

● INSURANCE companies may be faced with payments of up to £50m. for damage caused by recent gales. A BIA spokesman warned that a tough line will be taken with under-insured household policies. Page 8

● BNOC chairman, Lord Kearton has laid strong emphasis on partnership between BNOC and companies in North Sea oil activities Page 8. Statoil, the Norwegian State oil company, however, is against any British share in oil recovery and transportation from its Statfjord field, prefering a scheme to pipe the oil 220 kilometres to Norwegian territory. Page 6. At the same time, delegates from 19 oil-producing and developing countries began talks about talks in Paris on attitudes towards consumers. Page 6.

● CHRYSLER U.K. is expected to draw on part of its £162m. rescue fund within the next few days, following the signing in Detroit and London of the Government deal. Back Page

● A STRIKE by car transporter drivers began yesterday which could affect deliveries of new cars, especially Fords at Dagenham and Halewood. Back Page

● MANPOWER Services Commission chairman, Sir Denis Barnes, is to retire at the end of March. The Commissioners and Department of Employment have strong, differing views on his successor. Back Page

### COMPANIES

● CARREFOUR, the French store group, reports a 17 per cent. rise in turnover last year from Frs.4.9bn, to Frs.5.7bn. Page 17

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES | | |
|---|---|---|
| Funding 5½pc 1982-84 | £74¼ | + ⅜ |
| Treasury 5pc 1986-89 | £54⅜ | + ½ |
| Aaronson Bros. | 55 | + 4 |
| BTR | 160 | + 4 |
| British Sugar | 335 | + 10 |
| Chrysler | 950 | + 138 |
| Coated Metals | 85 | + 10 |
| Comm. Bank Aust. | 290 | + 10 |
| Goldberg (A.) | 58 | + 4 |
| Goldring | 18 | + 3 |
| Home Charm | 88 | + 9 |
| Johnson Matthey | 333 | + 8 |
| London Bridge Secs. | 13 | + 3 |
| Morgan Grampian | 51 | + 5 |
| Mucklow (A. and J.) | 160 | + 10 |
| Pearson (S.) | 130 | + 9 |
| Philips' Lamp | 915 | + 32 |
| Rush and Tompkins | 43 | + 4 |
| Savoy "A" | 24 | + 4 |
| Unitech | 98 | + 5 |
| Woodside-Burmah | 153 | + 6 |
| Botswana RST | 60 | + 8 |
| Pancontinental | 920 | + 20 |
| Poseidon | 190 | + 5 |
| Whim Creek | 50 | + 8 |
| **FALLS** | | |
| "Bats" | 346 | − 10 |
| Commercial Union | 136 | − 5 |
| EMI | 238 | − 5 |
| General Accident | 157 | − 5 |
| Guardian Royal Exch. | 197 | − 5 |
| Lloyds Bank | 235 | − 5 |
| Lonrho | 126 | − 5 |
| Mothercare | 172 | − 6 |
| Reardon Smith 'A' | 97 | − 7 |
| Steel Bros. | 217 | − 6 |
| Sun Alliance | 423 | − 7 |
| Buffelsfontein | £12½ | − ½ |
| Cons. Gold Fields | 214 | − 8 |
| Libanon | 740 | − 20 |
| London Tin | 168 | − 4 |

Industry Department survey suggests:

# Investment 'will fall again this year but rise in 1977'

BY SAMUEL BRITTAN

**THE NEW Department of Industry survey suggests a further fall in manufacturing investment this year, followed by a sharp upturn. Manufacturing investment is estimated to have fallen by about 13 per cent. in 1975, slightly more than previously expected.**

The reported intentions of industrialists suggest a further fall of 5-8 per cent. This year "followed by a large increase in 1977."

The returns suggest that this might be as high as 10-15 per cent.; but the Department's statisticians regard this estimate as very tentative and do not treat it as an official forecast.

The survey is based on returns received from companies in November and the first half of December. They were thus not affected by the minor stimuli announced by Mr. Denis Healey, the Chancellor of the Exchequer, on December 17, which included hire-purchase relaxations.

These inquiries have in the past provided a fairly good idea of general diection, but have sometimes under-estimated the severity of investment downturns.

In 1972, the corresponding year of the last cycle, the fall in manufacturing investment amounted to nearly 13 per cent. compared with an estimate of 3 per cent. in January.

The turning point this time is expected to be in the second or third quarter of 1976; but officials freely admit that this cannot be estimated with percision; and it would surprise few observers if the downturn were more prolonged or more severe than the present estimates suggest.

INDUSTRY'S CAPITAL EXPENDITURE
1970 prices

| | Manufacturing £m. | Distribution and service* £m. |
|---|---|---|
| 1970 | 2,130 | 1,726 |
| 1971 | 1,991 | 1,801 |
| 1972 | 1,738 | 1,956 |
| 1973 | 1,864 | 2,114 |
| 1974 | 2,087 | 1,959 |
| 1975 | 1,820† | 1,730† |
| 1976 | 1,700† | 1,670† |

* Excluidng shipping
† Estimated

In an interview on London Weekend Television on Sunday, Mr. Healey referred to the £200m. available for industries such as machine tools and ferrous foundries "which play a key role," and to other funds for "bringing investment forward."

He looked forward to such actions "on a very much larger scale, until ultimately the majority of British manufacturing industries is being continuously prodded and pushed and cajoled along; not just by the Government, but by the unions and by the CBI."

Because of the time lag involved, these actions are unlikely to have a drastic effect before 1977, by which time their effects will be difficult to disentangle from the general cyclical upturn.

The immediate prospects for the distributive and service industries are very similar to manufacturing. A fall of 12 per cent. is estimated in 1975 followed by a further decline of 2-5 per cent. in 1976.

But in contrast to manufacturing investment, capital spending in the distributive trades is not expected to show more than a very small upturn in 1977.

On present estimates, the recession in manufacturing investment does not look much greater

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Editorial comment Page 12

# Concorde ban would break spirit of pacts—Kaufman

BY DAVID BELL

WASHINGTON Jan. 5.

MORE THAN 70 witnesses—supporters and opponents of Concorde—gathered to-day in Washington on the first day of the hearing which will finally determine whether the aircraft is allowed to land in the U.S. and take advantage of the important Transatlantic route.

Mr. William Coleman, the Secretary for Transportation, who has promised a decision on the aircraft within a month, listened to three and a half hours of testimony this morning from representatives of both the British and French Governments as well as from two Senators, five Congressmen and U.S. and British environmental groups opposed to the aircraft.

He interrupted several witnesses to ask detailed questions and was at pains to stress that the hearings concerned solely the six Concorde landings a day in the U.S., requested by British Airways and Air France. An application for additional landings, should this request be approved, would require fresh hearings, he said.

Several anti-Concorde witnesses were closely questioned about existing U.S. supersonic noise regulations. More than one conceded that Concorde meets the 1962 U.S. noise standards—under which some 2,000 Boeing 707s and DC-8s are still operating i nthe U.S. Since then, Mr. Coleman pointed out, no noise standards have been laid down for supersonic aircraft even though later subsonic aircraft have had to meet stricter standards. "Are you asking me to ban Concorde for infringing against noise rules that do not exist for supersonic airplanes?" he asked a Virginia Congressman.

The Anglo-French team was led by Mr. Gerald Kaufman, Minister of State with responsibility for aerospace at the Department of Trade, who said that to ban Concorde "would violate the spirit of existing international agreements, that six landings a day would have very little impact on the U.S. environment and that "there are no international standards the aircraft does not meet."

But Mr. Bert Rein, of the Aviation Consumer Action Project, a coalition of anti-Concorde groups, said: "Concorde's manufacturers have chosen to believe that whatever they could offer in terms of speed would outweigh the other problems undoubtedly associated with the plane. They must stand and fall on that gamble." There was no question that Concorde should have to meet 1976 noise rules, not those of 15 years ago, and that the aircraft makers had had several years to take account of U.S. noise regulations but had failed to do so.

British and French technical experts gave detailed evidence on the safety of the aircraft, its range and its effect on the ozone layer. Mr. Michael Wilde, project director of Concorde at BAC, said that its incremental effect on existing noise patterns around Kennedy and Dulles airports would be scarcely significant.

But Senator James Buckley (Ind-NY) and several New York Congressmen disagreed strongly, contending that the extra noise would be unacceptable. The Right Rev. Hugh Montefiore, Bishop of Kingston-on-Thames, was applauded after a five-minute denunciation of the aircraft. He said that British noise measurements were unreliable and that the British Government had consistently misled people about the aircraft. He called on Mr. Coleman to do Britain a service by banning the aircraft. "Concorde is not like hell because it does not go on for ever but it is very definitely a secular form of purgatory."

French and British speakers ruled out retaliation if the aircraft were banned, but Senator Barry Goldwater (Rep.—Arizona) who testified in favour, said that Britain and France would be right to regard a ban on Concorde as "clear evidence of unfair U.S. discrimination against a foreign manufacturer." The aircraft's effect on the environment would be scarcely equivalent to "a needle scratch on a billiard ball."

# BSC prepared for concessions

BY LORELIES OLSLAGER, LABOUR STAFF

IN AN attempt to avoid all-out confortation, the Board of the British Steel Corporation yesterday decided to make some concessions to the trade unions over the controversial plan for saving £200m. a year in labour costs But large-scale redundancies and loss of earnings are still proposed.

No details of the Board's decision were available, but it is believed that when they next meet the unions on Thursday, BSC negotiators will indicate the Corporation's readiness to continue the guaranteed working week agreement, which it had been planning to gradually suspend from next Sunday.

In addition, the Corporation is believed ready to give some assurances to the unions that old, high-cost plants closed under the economy programme will be reopened later if necessary and that it is not proposing to by-pass Government decisions giving a longer lease of life to a number of old plants than the management would have liked.

In return, it is believed, the Board decided that BSC must get a firm comitment from the unions that the labour force will be allowed to be run down through natural wastage and that the vast majority of those who leave or retire will not be replaced. Last year, some 25,000 people are said to have left BSC for one reason or another, but between May and October the total labour force diminished by only about 8,000.

BSC is also said to be insisting that highly-paid week-end work must be abolished wherever possible.

## Protest

It is this demand that is likely to cause continued trouble with the unions, because it can involve a loss of earnings of up to 33 per cent. for their members. Already, some 4,500 steel workers staged sit-ins or strikes on Sunday to protest the elimination of week-end working.

At the giant Port Talbot plant in Wales some 650 workers in the cold mill decided yesterday to continue their strike to protest the abolition of week-end

Continued on Back Page

# Rights issue queue builds up

BY MARGARET REID

COMPANIES wishing to obtain new capital through rights issues have again formed a lengthy queue, and it is widely expected in the City that if the share market retains its present firmness, some £350m. could be raised in this way before the Budget.

This would represent a considerably larger volume of activity than in the later months last year. Altogether in 1975 companies obtained a record £1.2bn. by rights issues of equities, excluding convertibles, but the bulk of this tootal, nearly £1bn., fell in the first nine months, after which the pace slowed down.

Now the signs are that Boards and their advisers and brokers are aiming at a substantial further programme of cash raising. The queue of would-be issuers, which is marshalled by Mr. Thomas Gore Browne, the Government broker, who allots provisional dates, now stretches for some three months ahead. Experience appears to be that dates can already be quite difficult to "book" as far ahead as mid-March.

While it is difficult to estimate closely likely total issues, indications suggest that the rate could be some £120m. a month, with one large offer of around £25m. ore more a week, provided market conditions are propitious.

The background to the expected new spurt in issue activity is partly the recent and present buoyant state of the stock market—the FT 30-share index is now at around a two-year peak—and partly the revived appetite of companies for funds.

## Reinforce

Industrial and commercial concerns seem likely to figure largely in the coming cash-raising procession. Of the financial sector, insurance groups were prominent raisers last year, raising a total of more than £200m. to reinforce their resources.

There is now much speculation in the City as to whether the Big Four banks, among which only the Midland Bank launched a rights issue—of £52m.—in 1975, will seek to tap the market for cash this year.

If they should do so, the amounts of any calls would be likely to be large, given the scale of their operations. Whether such issues come forward is unlikely, in any event, to be determined until after the results and annual reports of the big banks are published in the weeks up to mid-February.

# Thorn TV closure costs 1,300 jobs

BY LORNE BARLING

ONE OF THE country's two remaining colour television tube factories, owned by Thorn Electrical Industries and the Radio Corporation of America and situated in the high unemployment area of Skelmersdale, Lancashire, is to close with the loss of 1,370 jobs.

The decision follows the failure of last-minute talks between Thorn, the Government and the other tube producer, the Philips-owned Mullard, aimed at "restructuring" the industry, possibly with the help of the National Enterprise Board.

With unemployment in the area at 9.7 per cent., almost double the national average, the closure, due to take place over the next two to three weeks, has caused anger among trade unions which claim that the Government was warned months ago of the difficulties the industry faced.

These have stemmed from high imports of Japanese tubes and the 25 per cent. VAT on colour television sets. Thorn said yesterday that it lost more than £4.6m. on colour tube production in the last financial year and losses for this year would be higher.

"Detailed discussions regarding the deteriorating position and poor outlook have been held with the appropriate Government departments for more than 12 months.

"During this period, the Department of Trade investigated the industry's claim that imports from Japan were being dumped in the U.K. but no evidence was found that would justify the imposition of anti-dumping duties," the company said.

## Studies

The recently announced Government "surveillance" of imports of colour tubes from Japan is not regarded by the industry as a measure which will have any significant effect on imports.

It is understood that the closure decision was reached jointly between Thorn and RCA, which own 51 and 49 per cent. respectively of the Skelmersdale operation. Mullard directors were discussing the situation yesterday and would not comment.

It is clear that Mullard, which has also been operating at well below capacity, will now be a front runner to supply Thorn with tubes for colour-set production. But it is likely to face strong competition on price from the Japanese and from RCA on the basis that many Thorn sets are based on their design.

The U.K. has the capacity to produce more than 2m. colour tubes a year, but in the first half of last year production reached only 608,000, and imports accounted for more than 50 pe rcent. of the market.

This is reflected in the drop in colour-set deliveries last year to about 1.6m., compared with 2.2m. the year before and 2.8m. in 1973. This year's figure is projected at a little over 1.3m., despite the Chancellor of the Exchequer's measures just before Christmas which eased credit restrictions.

The result of the overall slump was the closure in December 1974 of Thorn's monochrome tube plant at Sunderland with the loss of 1,400 jobs and, according to a recent report by the electronics development committee of Neddy, the loss of an estimated 35,000 jobs in the electronics consumer goods sector.

At Skelmersdale, the joint total investment is estimated at about £18m. and the cost to Thorn of the closure is likely to be between £7m. and £10m. before tax, in addition to the year's trading loss.

Thorn added last night: "In recent weeks, the company has participated in urgent studies made by the Department of Industry, with involvement at Ministerial level, to consider the possibilities of restructing the industry.

"No solution has been found which would provide a continuing future for the factory on a viable basis. At the request of the Department, these investigations were conducted in confidence until the outcome was certain."

It added that import controls were not considered a practical solution to the basic problem, nor would hire purchase relaxation stimulate demand to such an extent as to change the present position or prospects.

The production of replacement tubes at Sunderland would continue, and arrangements would be made to meet commitments to supply replacement tubes under warranty.

An official of the General Municipal Workers' Union, which represents the majority of the workforce, said it had been hoped that the situation would improve over the next couple of months. Short-time working was being negotiated with the management at the time of the announcement.

"There was no fore-warning of what was to come. Events have overtaken us," he said. A mass meeting of workers is planned at the factory to-day.

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**LOMBARD**

# Moral of the 1975 trade story

BY C. GORDON TETHER

THE FULL extent and nature of the dislocation of world trading patterns caused by the deterioration in the international economic climate during the past two years is now beginning to become apparent. And the conclusions that emerge are in both senses more than a little disconcerting — especially as there is room for considerable doubt as to whether the hoped-for revival in world economic activity in 1976 will do much to repair the damage.

The downward pressure exerted on world trade by the global inflation explosion and the restrictive policies widely adopted to deal with it was already finding expression by the first half of last year in a halt to the previous sustained growth in world trade—even in money terms. Thus, in the second quarter, total export traffic measured in dollars was running very close to the level of some $800bn. per annum reached a year before.

Allowing for the fall of about a tenth in the purchasing power of the dollar in the intervening period, this clearly suggested that—in real terms—world trade was already contracting at a fast pace. And though a complete statistical picture of what has happened since then is not yet available, it is painfully evident from those figures that have been released that the new trend has since gathered considerably greater momentum.

## Sharp fall

For what we do know is that, in the third quarter, the industrialised countries — which are together responsible for between two-thirds and three-quarters of total international trade — were recording total exports that, even in money terms, were no higher than a year before at around $500bn. on an annual rate basis. Their imports in money terms were actually about 7 per cent. down on the levels for a year before at about $460bn. per annum. In other words, the real value of these key countries' exports had turned sharply downwards, while—measured on the same basis—their imports may have been as much as 15 per cent. lower.

It has to be pointed out that the severe contraction in the industrialised countries' imports is attributable in significant measure to what one imagines must still be regarded as a welcome development—a contraction of about $15bn. per annum in their external fuel bill. But, allowing for this, their purchases from other countries were some $20bn. lower in the third quarter of last year than a year before even in money terms.

Moreover, it has to be recognised that, had it not been for the lift given to international export traffic by the spectacular growth in oil country spending—by last year it had reached an annual rate of about $80bn. compared with around $15bn. in the earlier 1970s—it would have suffered a very much bigger setback during the past year or two than it has done.

The implication is that we have been experiencing the first really substantial reversal of world trade growth since the end of World War II. That itself is obviously a matter for concern, seeing that there are good reasons for thinking that a world which has been accustomed to operating in such a congenial environment is not going to find it easy to adjust itself to a drastic change of this kind. This is indeed only too evident from the fact that many countries have been arguing in recent months that they could not hope to reverse the economic slow-down at home without the help of a revival of demand for their exports.

## Dismal

What, however, makes the trade story of the past year particularly dismal reading is that it has had particularly unhappy consequences for the countries that are least well placed to cope with such shocks —the non-oil less-developed States.

In the first half of last year, their exports had already begun to turn downwards, thanks to unfavourable movements in prices and to a slackening of the demand for their goods in affluent world markets. On the other hand, with the prices for the manufactured goods they buy continuing to rise fast and exchange rate movements compounding the effect of this development, their import figures were still coming out far beyond the levels for a year earlier.

We should be able to count on the expected turn for the better in the world economic situation doing something to interrupt these baleful trends in 1976. But will it reverse them at the speed required? That seems to be too much to hope for. And for several reasons. One is that initially re-expansion measures will almost certainly put the main emphasis on taking up the slack at home. Another is that such new deterrents to international traffic spawned by the world crisis as curency warfare are likely to survive any improvement in the atmosphere.

The moral is that countries that want to build their economic plans for 1976 on a realistic footing will not rely over-much on export growth for essential priming of the recovery pump.

**TENNIS** BY JOHN BARRETT

# The distaff rankings

ON SATURDAY I looked at the relative merits of the world's leading male players and produced a personal list of the current top ten: Ashe, Orantes, the men's list Guillermo Vilas Ramirez, Laver, Tanner and Roche.

The top five I explained at some length. In the lower half of the men's list Guillermo Vilas takes sixth place after another year of tremendous success following Wimbledon that eventually gained him six Grand Prix titles, and Mexico's Raul Ramirez is seventh after another good year that brought him the Japanese and Italian titles and fifth place in the world's prize money list with $209,560.

The last three places, curiously, go to three left-handers. Eighth is the durable Australian Rod Laver who, at 36, was still good enough to reach the WCT finals. Ninth is the husky American Roscoe Tanner who was a semi-finalist at Wimbledon, ninth on the computer rankings and ninth too on the earnings list with $150,459. Tenth is Tony Roche of Australia whose fourth-round Wimbledon victory over his compatriot, Ken Rosewall, and his quarter-final win against Tom Okker of Holland keep them out of the final place. Newcombe's lack of play following injury on team tennis duty in Hawaii just before Wimbledon gives us insufficient data to rate him at all.

Now for the women, and the list here is easier to compile. There is little doubt about the

Chris Evert of the U.S.: won 16 out of 22 tournaments last year and was unbeaten on clay.

first five places. Although Chris Evert lost her Wimbledon title to Billie Jean King she was outstanding elsewhere. She won 16 of the 22 tournaments she played and remained unbeaten on clay courts all year. She won the Virginia Slims title again, her first U.S. Open, and ended the year with a run of 35 consecutive winning matches and took over $350,000 from prize money alone —more even than Ashe.

Mrs. King's Wimbledon performance, which was followed by her retirement from singles play, gives her second place, and Mrs. Cawley must be third on the strength of being finalist at both Wimbledon and Forest Hills. The 19-year-old Czech left-hander Martina Navratilova, who was granted political asylum in America during 1975, is fourth as finalist in Australia, Rome, Paris and the Virginia Slims finals, a semi-finalist at Forest Hills and a quarter-finalist at Wimbledon.

After her most consistent season ever, Virginia Wade edges out Margaret Court from fifth place. She was a semi-finalist at the U.S. Open and at Wimbledon lost a memorable quarter-final to Mrs. Cawley who then beat Mrs. Court in the semi-final.

The Russian No. 1, Olga Morozova, takes seventh place as a Wimbledon quarter-finalist—a round reached at Forest Hills by Kerry Reid who is eighth. The ninth and tenth places are filled by Betty Stove of Holland, who was another quarter-finalist at Wimbledon, and Japan's charming new Wimbledon doubles champion, who reached the last eight at Forest Hills, Kazuko Sawamatsu.

**RACING** BY DOMINIC WIGAN

# Two for Winter at Plumpton

FRED WINTER, who is well on the way to becoming the leading trainer, yet again, has had a profitable time with the few runners that he has sent to Plumpton in recent seasons, and I expect to see him maintain his scoring rate there to-day through *Ernie Wiltshire* and *Alamein*.

The first from this pair to run is the 10-year-old Eborneezer gelding, Ernie Wiltshire, among the runners for the Lewes Chase (1.45). Judged on his recent eight-lengths success over Prairie Dog in Chepstow's 3-mile Fair Opportunity Chase, Ernie Wiltshire is already back to the smart form which enabled him to close his 1974-75 campaign with an easily-gained success over Kirtlehead at Hexham in May.

He should find little difficulty in following up here with only 10st 2lbs in the saddle, and I expect to see him followed home by another recent winner, the veteran *Utah*, and the improving *Norwell*.

Alamein, whom Winter saddles for Division II of the Heathfield Novices' Hurdle (3.15), showed hurdling ability for the first time when chasing home the Tim Forster-trained Cochineal at Devon and Exeter five days ago. That display was a marked improvement on his two previous runs over the minor obstacles, and it seems probable that

**PLUMPTON**

12.45—Wild Pirate
1.15—The Stuartstan
1.45—Ernie Wiltshire*
2.15—Briggs
2.45—Solarium
3.15—Alamein**

**TEESSIDE**

12.30—Robb Rian***
1.30—Sparkle Again
2.00—Village Light
2.30—Banacheck II

Alamein, a smart middle-distance performer on the Flat when trained by Jack Watts, has a good deal of further improvement in him.

*Stemic* and *Pablond*, who both showed up well in Kempton's competitive Oakleigh Hurdle on Boxing Day, appear to be the only possible threats to the Uplands horse.

In addition to Plumpton there is a Racegoers' Club concession day programme scheduled for Teesside, where Tommy Stack, who is currently trailing Jonjo O'Neill by five in the jockeys' championship, looks set for a profitable afternoon. Two likely winners for the popular 30-year-old are *Village Light* and *Banacheck II*, both of whom are trained by Arthur Stephenson.

Village Light, a chestnut son of Sailing Light, can take advantage of the 3 lb he receives from *Red Herring* in the Easington Hurdle (2.0), while Banacheck II may have most to fear from *Cracksman's Cross* in the Seaham Novices' Chase half an hour later now that Guiding Star has been withdrawn.

Martin Blackshaw, who partnered Monrusha to a facile victory in Division I of the Shotton Novices' Hurdle (12.30) a year ago, looks poised to land the same event again. This time he teams up with *Robb Rian*, a promising fourth at Market Rasen on his last appearance.

**FILM AND VIDEO** BY JOHN CHITTOCK

# Picking up the commercial scent in Scotland

THERE IS a 20th century belief that a country without a film industry is in danger of cultural decay. It is not surprising therefore, to discover that the restless devoluting Scots north of the border are agitating to put their existing fragments of a film industry on a viable basis; and that in Ireland the same thing is happening.

Ireland, with its excellent locations, has long been a potential draw for feature film producers and has thus supported some semblance of a film industry, mainly to service the incoming work of American and British companies. Some Irish technicians and facilities were used, for example, in the production of Kubrick's latest, *Barry Lyndon*.

## Production

The Irish Government earlier this year conceded the need for viability by establishing a State company to run Ardmore Studios, which it bought in 1973 for £390,000. Encouraged by this much-wanted recognition of their claims, Irish film-makers and technicians have now started to get down to serious business in doing all they can to generate more production in the country.

The indigenous film industry in Ireland relies on the documentary film, a form of production at which the Irish excel—much in the same way as do the Scots. The producers and technicians have formed a ginger group—the Irish Film Workers Association (IFWA)—which sounds like a trade union but is not. This group recently invited me to Dublin to speak at a seminar which was held as its first positive move to stimulate more sponsored film production in the country.

## Neglect

So far, the Irish record in sponsored films has been heavily dependent on commissions from State organisations. Private industry has largely failed to recognise the possibilities of this medium, and the few films that have been sponsored by companies tend to be prestige productions rather than films designed for specific industrial or commercial purposes.

There could be insidious dangers if this neglect continues. Ireland's export record overall has been climbing steadily over the last 10 years, and in 1974 was up by 29 per cent. over the previous year. But sponsored industrial film activity—increasingly used by other nations as an export tool—has lagged well behind this growth. In consequence, expansion in trade is not being backed by at least one of the sophisticated marketing media.

'If Scottish films were of questionable quality, there might be little sympathy over the statistics. But Scottish film-makers are among the best in the world, faulted, like the Irish, only by occasional excesses of nationalism and romanticism.'

In 1975, less than 20 sponsored films were made in Ireland, and only one of these appears to have origins from private industry. The remainder were sponsored by State or national bodies. One remedy the IFWA are now considering is the formation of a committee, run by industrialists and public figures, to act as a catalyst in encouraging industry to sponsor more films.

This idea takes as its model the Films of Scotland Committee, which since its formation in 1954 has been responsible for about 130 films. This Scottish committee has acted as a promotional and pressure group, educating industry to make greater use of film, but primarily as a national rather than commercial instrument. Its success has been without equal in the world, and no doubt Scottish national feeling has been fortified by many of the glorious films the committee has inspired.

But in 1976, films [illegible] crafts and crags of [illegible] lands may have a lower [illegible] when large companies [illegible] Chrysler and Coates [illegible] in the country. Both [illegible] lished film sponsors, [illegible] have films to their credit, English production [illegible] behind the camera.

## Efforts

The Scots film-makers [illegible] making their own efforts [illegible] strengthen the foundations [illegible] their industry, and one [illegible] of attack is the sponsored production that goes to [illegible] panies across the border. [illegible] answer to a Parliamentary [illegible] tion, Mr. William Ross, [illegible] tary of State for Scotland, recently said that over the [illegible] five years 188 films, [illegible] shorts and audio-visual [illegible] grammes had been commissioned by the Scottish [illegible] Film-makers have been [illegible] to point out, however, [illegible] these only 18 were made [illegible] Scottish companies.

If Scottish films were [illegible] questionable quality, [illegible] might be little sympathy [illegible] the statistics. But Scottish [illegible] makers are among the best [illegible] the world, faulted like the Irish, only by occasional excesses [illegible] nationalism and romanticism.

The Scots film-makers are moving into action like [illegible] Irish, and will be holding [illegible] Film Bonz in Glasgow [illegible] January 22. This event is [illegible] cularly aimed at drumming [illegible] interest from industry, although hopes continue to linger [illegible] Scotland could also become [illegible] small centre for feature [illegible] production.

## Problem

Both the Irish and the Scots have demonstrated their technical and creative prowess. [illegible] perhaps the only ability lacking is a sharp nostril for the commercial scent. This has [illegible] been the problem facing sponsored film-makers, who [illegible] breed remain essentially [illegible] tive people. But [illegible] organisations like the Films of Scotland Committee — and [illegible] be a similar body in Ireland [illegible] there is a way open to [illegible] commercial minds in helping [illegible] get the message across.

# TV/Radio

† Indicates programme in black and white

### BBC 1

12.45 p.m. News. 1.00 Pebble Mill. 1.45 Bod. 3.30 Poboy y Cwm. 3.58 Regional News (except London). 4.00 Play School. 4.25 The Wombles. 4.30 Jackanory. 4.45 Star Trek. 5.05 John Craven's Newsround. 5.15 Rentaghost. 5.40 Paddington.
5.45 News.
6.00 Nationwide.
6.50 Are You Being Served?
7.20 The Ellery Queen Whodunit.
8.10 Warship.
9.00 News.
9.25 Play for Today.
10.35 Tonight.
11.10-11.12 Weather / Regional News.

All Regions as BBC-1 except at the following times:—

Wales — 6.00-6.50 p.m. Wales Today. 6.50-7.10 Heddiw. 7.10-7.40 Ar Ben Ei Hun: Conrad Evans. 7.40-8.10 Are You Being Served? 11.10 News and Weather for Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. 11.10 Scottish News Summary.

Northern Ireland—6.00-6.50 p.m. Scene Around Six. 10.35-11.25 I Feel Miracles—Hallelujah. 11.25 Northern Ireland News Headlines.

England — 6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth).

### BBC 2

11.00 a.m. Play School.
7.05 p.m. Ensemble.
7.29 Weather.
7.30 Newsday.
7.45 The Book Programme.
8.10 Boat Show 76 at Earls Court.
9.00 Fawlty Towers.
9.30 Impressions of Al Bowlly.
10.30 The Old Grey Whistle Test.
11.10 Newsnight.
11.30-11.35 Closedown: Lyndon Brook reads "Tell Me Not Here," by A. E. Housman.

### LONDON

10.00 a.m. Hammy Hamster's Adventures on the Riverbank. 10.15 Inner Space. †10.40 The Saint. 11.30 The Borderers. 12.00 Stuff and Nonsense. 12.10 p.m. Pipkins. 12.30 Regional Flavour. 1.00 First Report: News, FT index. 1.20 Lunchtime Today. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Couples. 3.00 Village Hall. 3.55 General Hospital. 4.25 Look Alive. 4.50 Magpie. 5.20 Nanny and the Professor.
5.50 News from ITN.
6.00 Today.
6.50 Crossroads.
7.15 Tuesday Mystery Movie: McMillan and Wife.
9.00 Shades of Greene.
10.00 News.
10.30 Out of the Rock.
11.15 A Place in History.
11.45 Songs of the City.

All ITV Regions as London except at the following times:

### ANGLIA

10.30 a.m. Animated Classics. 11.15 Cartoons. 1.25 p.m. Anglia News. 2.00 Let's Face It. 5.20 Wait Till Your Father Gets Home. 6.00 About Anglia. 7.00 Cartoon Time. 7.15 The Tuesday Movie: "The Neon Ceiling," starring Gig Young. 11.15 Police Surgeon. 11.45 A Carol for Twelfth Night.

### ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Batman. 6.00 ATV Today, including Police Five. 7.00 Cartoon Time. 7.15 The Tuesday Movie: "Nobody Runs Forever," starring Rod Taylor, Christopher Plummer and Lilli Palmer. 11.15 Angling Today.

### BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 5.20 The Beachcombers. 6.00 Border News and Lookaround. 7.00 Cartoon Time. 7.15 TV Movie: McCoy. 11.15 Police Surgeon. †11.45 Border News Summary.

### CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Curtain Raiser. 7.10 TV Movie: "The Man From Uncle." 11.15 Commentaires et Previsions Meteorologiques.

### GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 The Brady Bunch. 6.00 Grampian Today. 6.10 The Flintstones. 7.00 Cartoon Time. 7.15 The Tuesday Comedy: "Houseboat," starring Cary Grant and Sophia Loren. 11.45 Evening Prayers.

### GRANADA

9.30 a.m. Alphabet Soup. 9.55 Spiderman. 10.15 The Forgotten Coast. 10.35 When The Movies Were Young (documentary). 11.45 Alister in Songland. 1.20 p.m. This Is Your Right. 5.15 What on Earth? 5.20 Crossroads. 6.00 Granada Reports. 6.40 The Persuaders! 7.35 Suspense Movie: Lee J. Cobb in "Double Indemnity." 11.15 Shannon's Mob.

### HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.20 Report Wales. 6.40 Mr. and Mrs.

HTV Cymru/Wales—As HTV General Service except:—1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Fyny Fan'na. 6.01-6.20 Y Dydd.

HTV West—As HTV General Service except:—1.20-1.30 p.m. Report West Headlines. 6.20-6.40 Report West.

### SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.20 Calimero. 5.25 Crossroads. 6.00 Scotland Today. 6.30 University Challenge. 7.00 Love American Style. 7.15 Feature Film: "Jessica," starring Angie Dickinson and Maurice Chevalier. 11.15 Late Call.

### SOUTHERN

10.15 a.m. Untamed World. 10.40 The Prince and the Pauper. 1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 6.45 University Challenge. 7.15 "Sebastian," starring Dirk Bogarde and Susannah York. 11.15 Southern News Extra. 11.25 The Protectors.

### TYNE TEES

11.00 a.m. Starting Point. 11.05 Inner Space. 1.20 p.m. Lunchtime News and Lookaround. 1.30 Love American Style. 5.20 Emmerdale Farm. 6.00 Today at Six. 7.00 Cartoon Time and Betty Boop. 7.15 The Tuesday Film: "McCoy." 11.15 The Greatest Fights of the Century (Foreman v. Paos). 11.30 Epilogue.

### ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 4.25 Ulster News Headlines. 5.20 Beachcombers. 6.00 UTV Reports. 7.00 The Ghost and Mrs. Muir. †7.30 Tuesday Movie: "Forever Female," starring Ginger Rogers and William Holden. 11.15 UTV Profile.

### WESTWARD

9.25 a.m. Wildlife Theatre. 9.50 The Beachcombers. 10.15 The Amazing Chan and the Chan Clan. 10.40 Riptide. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News. Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 Curtain Raiser. 7.10 TV Movie: "The Man From UNCLE." 11.15 Westward Late News. 11.30 Faith for Life.

### YORKSHIRE

11.00 a.m. Hammy Hamster's Adventures on the Riverbank. 11.10 A Drop in the Ocean. 11.35 Skippy. 1.20 p.m. Calendar News. 1.30 Mr. and Mrs. 5.20 Emmerdale Farm. 6.00 Calendar. 7.00 Bugs Bunny. 7.15 The Tuesday Film: McCoy. 11.15 Night Gallery.

### RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including this week's Top 30 discs, and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

### RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat The Record. 7.30 Robin Richmond: The Organist Entertains (S). 8.02 Among Your Souvenirs (S). 9.02 The Songwriters: Leo Robin (S). 10.02 Ian Carmichael's Music Night (S). 11.02 Sports Desk. 11.05 Colin Berry with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

### RADIO 3 464m, Stereo & VHF

[illegible] day Prom part 1: Mozart, Beethoven. 1.00 News. 1.05 The Arts Worldwide. 1.20 Midday Prom part 2: Rimsky-Korsakov. 2.10 Music In Our Time (S). 3.10 Orchestral Music (S). 4.05 Chamber Music (S). 4.55 Jazz Today (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Work and Training. 7.30 Boston Symphony Orchestra part 1: Brahms (S). 8.25 Three English Childhoods. 8.40 Concert part 2: Brahms (S). 9.30 Drama Now (S). 10.00 Byrd and Clemens Non Papa (S). 11.05 Nocturne. 11.25-11.30 News.

### RADIO 4

434m, 330m, 285m and VHF

†Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk, 7.35 Today's Papers, 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Percival and Apple. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way visits Brackley. 11.45 The Enthusiasts. 12.00 News. 12.02 p.m. You and Yours. 12.27 [illegible]

[illegible] PM Reports. †5.50 Financial Report VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 My Music (S). 6.45 The Archers. 7.00 News Desk. 7.30 Boston Symphony Orchestra part 1 (S) (as Radio 3). 8.25 Three English Childhoods (as Radio 3). 8.40 Concert part 2 (S) (as Radio 3). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Beyond Comprehension. 11.30 News.

### BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.03 In Town. 8.00 Holiday Scene. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

### London Broadcasting

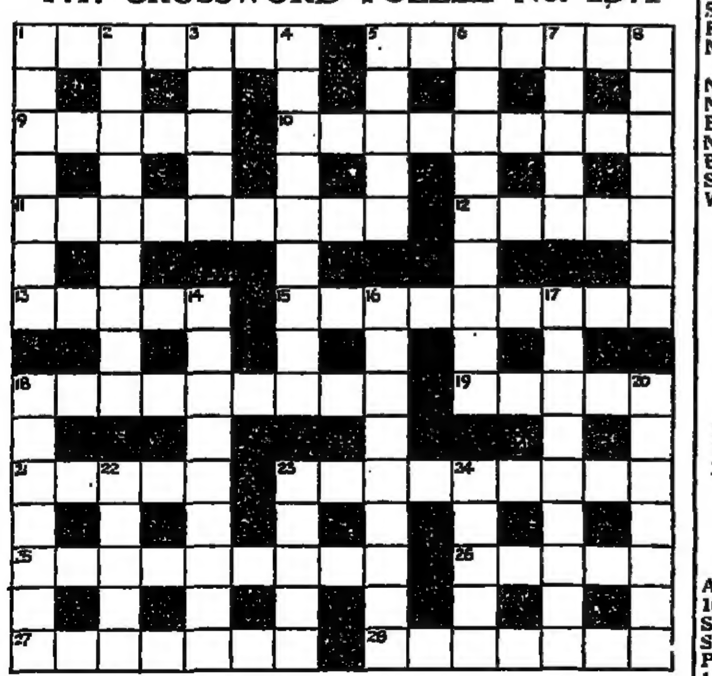
261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M." 10.00 George Gale. 12.00 Newswatch. 2.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 London Matters. 9.00 Robin Houston's Nightline. 1.00 a.m. Nightwatch (news every half hour).

### Capital Radio

194m and 95.8 VHF

## F.T. CROSSWORD PUZZLE No. 2,971



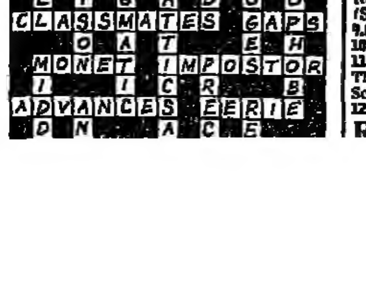
**ACROSS**

1 Call once more on minister could it be? (7)
5 Public servant taking a correspondence course (7)
9 Give way to flag-wagger (5)
10 Abrogation by salesman going to part of west London (9)
11 Imposed a duty on vicar (9)
12 Finished third leader in public (5)
13 Quiet individual did brilliantly (5)
15 Hanging at eye level is not a fault at Wimbledon (2, 3, 4)
18 Take down cloak belonging to Diana (9)
19 Like party to have advantage (5)
21 Presented student with hammer (5)
23 Girl wheeled round in early November (9)
25 Record holder goes in for revolutionary training (9)
26 Beast goes 50-50 with a master (5)
27 Particular honour (7)
28 Shaky rag and bone man joins youth leader (7)

**DOWN**

1 Hoodlums appear as quarrel fades (7)
2 Lively oral exam takes a hundred notes (9)
3 Goodman has peculiar prac- [illegible]
6 Wash-out having Figaro as broadcast serial (4, 5)
7 Corn is in a sound state of confusion (5)
8 Strange thing that is worn at retirement (7)
14 Eastern girl a soldier may have to shoulder (9)
16 Manipulation may lead to a cure (9)
17 Start this month with one entrance (9)
18 Heavenly body follows sailor (3-4)
20 Another 16 of those people strike within (7)
22 Poisonous influence of six right over you and me (5)
23 Old measure copper got his teeth into (5)
24 Brilliance of toilet powder one quarter upset (5)

**SOLUTION TO PUZZLE No. 2,970**




# ENTERTAINMENT GUIDE

**OPERA & BALLET**

COLISEUM. (01-836 3161). ENGLISH NATIONAL OPERA Tonight 7.30 The Rhinegold. Tomor. 5.30 The Valkyrie. Thur. & Sat. 8 Salome. Fri. 7.30 La Belle Helene.

COVENT GARDEN. 240 1066. THE ROYAL BALLET [illegible]

GLOBE. 01-437 1592. Evenings 7.30. Matinee Wed., Sat. 3.0. RSC—FOR 8 WEEKS ONLY JUDI DENCH IAN McKELLEN ANNA CALDER-MARSHALL in TOO TRUE TO BE GOOD by Bernard Shaw.

REGENT. [illegible] LET MY PEOPLE COME AN ADULT MUSICAL [illegible]

[illegible]

# A Spaniard in Paris

by DENYS SUTTON, Editor of Apollo

"Things Spanish" are in the ir at present; now that an ex- ibition of Spanish art of the iolden Age is to open at the loyal Academy at the end of the eek. This show should do much o turn our thoughts to the role hat Spanish art has played over he centuries and its impact in urope and the U.S.

Love of Spain and Spanish art as a striking feature of the omantics—Gautier and Richard 'ord wrote books about the ountry and Manet, Wilkie and . F. Lewes were among the ainters who took Spanish hemes. Moreover, as a result of he Peninsular War, many panish paintings came to rance and England.

Somewhat surprisingly not uch is known about Spanish ainting during the nineteenth entury outside Spain. This was ot so in the 1860s and 1870s, hen Fortuny was admired in aris and later Zuolaga had a fol- owing in Paris: his work may e seen in the Musee Rodin, for istance.

Although Spain did not pro- uce any major artists between oya and Picasso, it did have a umber of able and delightful ainters Vicente Lopez and usinol among them — and a sit to the Buen Retiro Museum, adrid, which is devoted to this eriod, can prove instructive.

It is only in recent years, how- er, that the Spanish roots of icasso have been studied in epth (the theme of a valuable ook by Anthony Blunt and the te Phoebe Pool); how close ese were is revealed by many orks in the Picasso Museum in arcelona, a city which was one the main centres of Art ouveau and where Gaudi eated his astonishing architec- re.

Picasso was not the only anish painter to play a role in ternational art life and make aris his home. Another who d so was Juan Gris who was rn in Madrid in 1887 and died 1927.

Gris, who arrived in Paris in 06, is generally and properly ought of as one of the chief eators of Cubism and to this tent his Spanish origins are t to be overlooked. How curious at two of the main protagonists this movement should have th been Spanish!

The most interesting feature J. A. Gaya Nuño's book on e artist (Secker and Warburg. 8), is that it deals with him om a Spanish point of view and aces him, to some extent, in a anish context. It is, however, no means a satisfactory lume in some respects and re care should have been ken to trace the present where- outs of various works dis- ssed. It is, for instance, many ars since Douglas Cooper's lection was in England; for ch information we must await s authority's long awaited alogue.

A merit of the present volume that it provides excellent our plates of Gris's main rks. These show that he was a master of a refined and sensi- tive palette and the comprehen- sive range of illustrations—some 600 paintings as well as his draw- ings for the Press — allow the arm-chair critic to follow his evo- lution.

Gris had a limited range of themes. He was especially keen on still life and the lucid and exquisite tonalities of such pic- tures make them among the finest in this genre painted in the 20th century. However, it is another matter to compare them, as does Sr. Gaya Nuño, with the work of Zurburán. The 17th-century Spanish master con- structed his pictures in such a way that emphasis was placed on weight and volume: the illu- sion of objects or materials is provided. Gris painted his still life so that the decorative elements predominate and, if an analogy with earlier Spanish art is to be made, then it could be with the flower paintings of Arellano the difference in tech- nique naturally being taken into account.

Sr. Gaya Nuño tells us that Gris's father ran a stationary shop in the Calle de Carretas in Madrid and his son's preoccupa- tion with the interplay of forms and colours on flat surfaces may have been due to the sort of leather albums that he would have seen in the family business. It is tempting to ask if some connexion exists between Gris's painting and the superb crafts- manship that is characteristic of Spain.

Gris's paintings stress the danger of judging the man by his work. His pictures have such charm and elegance that it comes as something of a surprise to learn that he was none too agreeable a character. On the other hand, his paintings possess the inward quality that was such a part of his nature. His pictures may even be felt to possess an ironic twist, as if for him the world was one of illusion, hardly surprising for a countryman of Don Quixote!

Like other painters of the im- mediate post-war generation— Picasso, Derain and Severini, for example—Gris was deeply attracted by the Commedia dell' Arte to which renewed signifi- cance had been given by Diagheliev's ballets *Parade* and *Pulcinella*. His paintings of Harlequins are among the most beautiful he ever did and are touched with a sweet melancholy. Sr. Gaya Nuño does not examine the subject matter of Gris's art, though it is relevant for an understanding of his contribu- tion, nor does he discuss the nostalgia for the classical world that tinged his later Pompeian paintings. It is not difficult to imagine Gris helping to decorate a Roman villa.

The book has many imperfec- tions yet it helps to fill in details about Gris's youth and above all it reminds us that he was a minor master with taste who blended in many of his pictures Parisian chic and Spanish sobriety. His work deserves to be shown in London again.

Juan Gris: self-portrait

Anthony Crickmay

Margot Fonteyn and Rudolf Nureyev in "Romeo and Juliet" at Covent Garden. Clement Crisp will review the performance to-morrow

ew York theatre

# A happy quartet of revivals

by GEORGE OPPENHEIMER

There have already been elve or more revivals in the st half of this season. Now ne four more—"Sweet Bird of uth" and "The Glass nagerie" by Tennessee lliams (two of his plays, ummer and Smoke" and at on a Hot Tin Roof," were sented earlier in the season), he Royal Family" by George Kaufman and Edna Ferber l the Jerome Kern-Guy Bolton sical. "Very Good Eddie." ery one of this quartet is well ne and deserves to be done, wing that it is better to have good revival than a bad ginal.

rene Worth and Christopher lken play the faded film star the stud she has picked up her headlong flight from lywood in "Sweet Bird." vin Sherin directed and over- phasised the melodrama, ecially in the lurid second

Happily, the first and third s take place in the relative vacy of a bedroom in a thern hotel and are between rth and Walken, both of om act superlatively. Miss rth is particularly brilliant as nymphomaniacal, drug- icted actress who has ruined motion picture career but is on to the illusion that she come back. Walken as her ckmailing lover gives the best formance of his career.

Williams described his "Glass nagerie" as a "memory ," and I remembered back ty years to its debut when rette Taylor gave what I consider the finest perform- ance by an actress that I have ever seen. Despite this memory, I admired greatly Maureen Stapleton in the same role of Amanda Wingfield, the first and the best of Williams' faded Southern belles.

Miss Stapleton is given excel- lent support by Pamela Payton- Wright as her lame and overly shy daughter for whom she longs to find a husband and by Paul Rudd as the "gentleman caller." Rip Torn is less good and some- what too strident as the son and narrator.

The production takes place on the arena stage of the Circle in the Square, a space so large that it is a threat to intimacy. Never- theless it is worth seeing for its mood, its poetry, its characteris- ations and its acting.

"The Royal Family" is a sheer delight in its Ferber warmth, its Kaufman wit and its superb cast. It tells of the theatrical family Cavendish, similer to the Barry- more clan, with Eva LeGallienne as the matriarch, Rosemary Harris as her talented daughter, and George Grizzard as her mad- cap son. Sam Levene is their long-suffering manager, and attractive Mary Layne plays a third-generation Cavendish who gives up the stage for domesti- city with the man she loves.

The acting, under the polished direction of Ellis Rabb, is not a whit short of wonderful. Eva LeGallienne is perfect; Rosemary Harris has never looked lovelier or acted better, and George Grizzard looks like John Barry- more, sometimes sounds like him and makes entrances and exits like the older Fairbanks.

There are moments in the midst of the hilarity that are touching and tender. All in all, it is a fine play that treats of and upholds the tradition of good theatre.

Last and far from least is the youthful (after some 60 years) "Very Good Eddie." Originally, in 1915, it played at the tiny Princess Theatre, a small play- house that specialised in intimate musicals with music by the one and only Jerome Kern.

The book by Guy Bolton is based on a farce by Phillip Bartholomae and deals with two honeymoon couples and their plight when the wife of one and the husband of another miss their boat (a Hudson River Dayliner). That leaves the two on board bound together by their mishap, their helplessness and a growing attraction for each other. All ends happily for everybody including the audience.

The show is filled with tuneful music by Kern—"Babes in the Wood," "Left All Alone Again Blues" (with its counterpoint), "Katy-did" (sung by Travis Hudson, playing an opera diva who dives into jazz to startling and stunning effect) and scores of others. The bright lyrics are by Schuyler Greene, P. G. Wode- house, Anne Caldwell, an actor (Frank Craven), an actress (that talented mimic Elsie Janis), Harry B. Smith and others.

There is also a young and sprightly cast headed by the two woodland babes, Charles Repole and Virginia Seidel. They sing and dance and clown and are altogether appealing and funny.

The cast is made up of actors mostly new to me but they won't be for long. Even the eight members of the chorus look as though they had bright futures in the offing. Dan Siretta has choreographed and lovingly spoofed the oldtime dances and Bill Gill has directed without camp but skilfully and in the best of taste.

"All in all, "Very Good Eddie" is, in two words, very good.

# N.A.-C.F. Lord Crawford Donatello Appeal

*The National Art-Collections Fund has sent the following letter to the national Press:*

At the time of his death on ember 13, 1975, Lord Craw- was deeply concerned about fate of the Donatello relief, ch he felt must at all costs cquired for the Victoria and ert Museum.

nce he left instructions that e was to be no memorial ice, it has occurred to his ily and friends, who recall he saved the Leonardo oon for the Nation, that e who might wish to pay e tribute to his memory it like to send a contribu- to the Donatello Appeal ugh the National Art- ections Fund, which he ed so devotedly for almost ears.

he Victoria and Albert eum has until March 1, 1976, aise the sum of £175,000. By drawing on all its resources, and in answer to its appeal, the Museum has raised over £100,000.

In launching this special appeal the NA-CF intends that its own contribution shall be given in memory of Lord Craw- ford, and to this it is glad to be able to add the first contribution it has received—£5,000 from Christie's.

All contributions, however small, will be gladly accepted. Cheques should be made out to the "NA-CF Crawford Donatello Appeal," and sent to the NA-CF, 24-28, Bloomsbury Way, W.C.1.

BRINSLEY FORD
BALNIEL
PATRICK LINDSAY
THOMAS LINDSAY
ANTHONY BLUNT
KENNETH CLARKE
ANTONY HORNBY
THOMAS MONNINGTON
MICHAEL BABINGTON SMITH
ROY STRONG

## JCS at the Seven Dials

Don Rendell's Quintet begins the New Year sessions at the Seven Dials, Shelton Street, WC2, on Thursday, January 8. The National Youth Jazz Orchestra follows on January 15 and a mini jazz piano history will be pre- sented on January 22. Eddie Thompson will play solo piano while both Gordon Beck and Colin Purbrook will lead trios.

Bassist Peter Ind's Septet, in- cluding Bruce Turner on alto and Dave Cliff on guitar, closes the January Thursday sessions.

# Fringe theatre in 1975

by MICHAEL COVENEY

Last week-end, Pip Simmons's group concluded a spell of play- ing to packed houses at the ICA with *The Dream of The Ridicu- lous Man*, a rock musical spec- tacle based on a Dostoevsky short story. The audience was com- posed of the sort of people one would expect to meet at the Round House for the visit of Le Grand Magic Circus and the imminent opening of Peter Brook's latest show. They are educated, confidently middle- class, mildly hip, well-mannered, usually single, well-read, casually dressed and somewhere between the ages of twenty and thirty-five. Some of them go to the Aldwych or the Old Vic, but they constitute a minority in those theatres. One feels that when some new theatre work of real quality and appeal emerges, then that buoyant, dishevelled audience will be there to see it.

It so happens that the ICA has staged three such occasions in the past year: Pip Simmons and company are responsible for two of them (*An Die Musik* and *Ridiculous Man*) and the Joint Stock Company for the other, David Hare's *Fanshen* directed by William Gaskill and Max Stafford-Clark. This last show predictably came in for critical buffetting on the grounds that any play about the Chinese agrarian revolution must be bor- ing and pretentious. In fact, Hare's adaptation of William Hinton's massive book was one of the most skilful and good- humoured dramatic exercises of the year, brilliantly combining hard information with action devised as witty commentary. The production was a model of speedy, economic staging and, of the nine gifted actors, not one displayed an Oriental squint or hesitated over his labials.

Young, critical audiences turned out in droves to *Fanshen* (on a second visit, the oldest person in the auditorium was playwright Peter Nichols) which fetched up, after a nationwide tour, at the Hampstead Theatre. Hampstead has given us a chance to see something of new German playwrights such as Franz Xaver Kroetz (*Stallerhof* and *Morecambe*) and Wolfgang Bauer, whose *Ghosts* was an impressive if negative study of boozy, flatulent life-styles in a materialistic European setting. Other Hampstead highlights were Hector MacMillan's *The Sash*, a vigorous and very well acted account of sectarian, work- ing class confrontation in a Scottish tenement—Andrew Keir and Christopher Connor were a father and son memorably at loggerheads; and Bernard Pome- rance's adaptation of Brecht's *A Man's A Man*, directed by Roland Rees with Stefan Kalipha as a dreamy, shockable Galy Gay.

In contrast to the contempo- rary "world" of publishing and journalism boringly evoked in Simon Gray's *Otherwise En- gaged*, there has been some effort on the fringe to fashion something jagged and distinctive from the subcultural morass piling up around us. The play of the year in this respect (and, indeed, in many others) was Trevor Griffiths' *Comedians*; but the Bush contributed two plays by Stephen Poliakoff, *Hitting Town* and *City Sugar*, that used the concrete jungle, with its desolate Wimpy bars and stereo- phonic hymnology, as a setting for tales of love and destruction. And the visit to Shepherd's Bush Green of the Hull Truck touring company with *Oh What!* sur- prised many with their deva- statingly accurate compendium of ideas, received and original, of the post-war generation. Hull Truck work on improvisational lines that, for them, yield scenes and dialogue of exceptional tex- ture and power. It will be hard to forget the soldier home on leave patiently gritting his teeth as the facetious sociology lec- turer baits him from across the room; or the latter-day acid-head fumbling contentedly for words to express her boy friend's affec- tion; or her trendy sister's chill- ing hints of life as a child with a father they knew by his Christian name.

This time last year, both the Bush and the Half Moon were in great financial trouble, and while no fringe venue is ever immune to the pressures of these troubled times, it is heart- ening to see both still very much in business. The Bush has had its third productive year on the trot, and the Half Moon, inspirationally led by Pam Brighton, has established itself as a genuine community theatre in the East End. Earlier this year Ms Brighton presented two John McGrath plays that started life at the Liverpool Everyman: *Fish in the Sea* and *Soft or a Girl*, were beautifully organised critiques of capitalist enterprise, shot through with earthy humour, political argument and rock music.

But the Half Moon's biggest success of the year came with *George Davis Is Innocent OK*, a Living Newspaper-style docu- mentary of the traditional East End aversion to police activity based on the current *cause célèbre* of the minicab driver from Bow sentenced to 20 years' imprisonment (recently com- muted to 17) for alleged armed robbery in Ilford. Nobody in the show claims that Davis is as pure as the driven snow, but the unsatisfactory nature of his conviction on police evidence and identification parade pro- cesses has fired local passions that are brilliantly focused by the production. Beyond the reach of conventional criticism, one's defences were totally des- troyed when Mary Sheen read some of the letters Davis has written from prison: "I wouldn't wish 20 years even on a guilty man."

The Theatre Upstairs (above the Royal Court) whose form had been indifferent for its last two years, closed. This is a blow to the cause of new writ- ing, for one wonders from where the new directorate are going to find new blood in the wake of Hampton, Bond and Hare. There are hopes, though, that the Arts Council might be able to up their grant next year so that this invaluable space can be re-opened.

The Soho Poly mounted an excellent lunchtime season with short plays by Howard Brenton, Barrie Keeffe, Eric Sutton and Robert Walker, and the National Theatre took the ICA for a summer season of workshop pro- ductions. The most impressive was Barry Collins's *Judgement*, with Colin Blakely giving a virtuoso, 2½-hour solo perform- ance of a Russian incarcerated in Poland during the German invasion. The character gave evidence of cannibalism and a fight for sanity with the audience as judging inquisitors. In another one-man show, *The Man Himself* by Alan Drury, Michael Feast drew a wonderfully detailed portrait of a South London boy driven to extremist politics as a result of dissatis- faction at both work and play.

Many regional theatres now have studio spaces maintaining good standards, and none better than the Royal Shakespeare's at Stratford-upon-Avon, The Other Place. The theatre's director, Buzz Goodbody, died in tragic circumstances shortly before her brilliant production of *Hamlet* opened. The show was guided to opening night by Trevor Nunn, and should not be missed at the RSC's forthcoming Round House season. Tickets for The Other Place are hard to come by, and not surprisingly in a year when we have had *Hamlet*, Nicol Williamson's *Uncle Vanya*, John Barton's fascinating reclamation of John Ford's *Perkin Warbeck*, Howard Davies's fine revivals of Rudkin (*Afore Night Come*) and Brecht (*Man Is Man*). The im- portance of this space in the future of the RSC is underlined not only by the full programme for next year, but also by par- ticipation of Messrs. Nunn and Barton in its activities.

Elizabeth Hall

# Mozart sonatas

by MAX LOPPERT

Radu Lupu and Szymon Goldberg are this month, in four Sunday evening recitals, explor- ing all of Mozart's mature sonatas for "piano and violin" — as the preferred order then was, although in Mozart's violin- sonata output from the point at which Lupu and Goldberg take them up (missing out the early 16), there is already little that is secondary or optional about the violin part, and ever less with each new sonata. A rewarding series to follow, one which should as it progresses, draw all the most musicianly and sensi- tive qualities out of two musi- cianly sensitive musicians.

In Sunday's opening concert there was plenty of evidence given of mutual sympathy in an apparently unlikely combination of veteran violinist and young pianist. The ensemble was re- sponsive; the balance between Mr. Goldberg's small tone and Mr. Lupu's Steinway always acutely judged. But it was for the most part, even so, a dull evening. Little in the playing of four sonatas suggested any particularly eloquent understand- ing of the music, any desire to communicate the subtleties and the depths as well as the surface delights of Mozart's music. Even at only ten rows' distance from the players I found it difficult most times during the perform- ances to "tune in": for the play- ing was apparently directed only to, aimed only at, the players themselves. The opening sonata, the remarkable F major, K. 377, with its extraordinarily sugges- tive slow movement set of minor key variations, was indeed as disengaged and self-contained as it was possible for a well-turned and shapely rendering of the music to be.

Possibly it was Mr. Goldberg's lack of tonal projection (and, all too often, his tendency to skim the underside of a note) that most drained the performances of colour and vitality. The *cantabile* E flat melody of the K.378 second movement found him short of breath, as it were, for the long phrases, and though the pianist's tracing of the same melodies discovered a lengthier and more delicate sense of shape, the warm, fragrant romance of the movement was hard to discern. (In the Rondeau of the same work, there was an odd gap left just before the final perky Allegro by the failure of the violin to provide the obviously intended cadenza.)

Much the same tale can be told of the two sonatas after the interval, the C major (K.303) and the E flat (K.481). In the Adagio of the latter, however, Mr. Lupu's wonted resources of colour began to invade the open- ing—an indication of what the performances might be like on a more communicative occasion. More vivid testimony to what had been missed during the evening came with the single encore— the haunting G minor movement from K.380, given with such sudden intensity and balanced weight of utterance as to raise, even at this point, the tempera- ture of the entire evening.

# Aldeburgh in 1976

Highlights of this year's Alde- burgh Festival, which will run from June 4-20, will be the first performance of a new work by Benjamin Britten and a family concert by Rostropovich and his wife and two teenage daughters.

The new Britten work is *Phaedra*, his Op. 91, a setting of extracts from Robert Lowell's translation of Racine's play. It is set for soprano and orchestra (strings and percussion) and will be sung at its premiere on June 16 by Dame Janet Baker, to whom it is dedicated.

The Rostropovich concert will take place on June 18. Rostro- povich will play Britten's third 'cello suite and the Haydn concerto; his wife Galina Vish- nevskaya will sing three Mozart concert arias; and his daughters Olga and Helena, both currently students at the Juilliard, will play 'cello and piano respectively. The orchsetra will be the English Chamber Orchestra.

There will be two perform- ances, the first on stage in this country, of Britten's early opera *Paul Bunyan*, his Op. 17. This was written in 1941, to a text by W. H. Auden, for Columbia University, who required a work for "high-school performance." It is an operetta about the legendary American giant, with ballad narration, big set numbers and spoken dialogue. It will be sung by young singers.

The Bicentennial will be observed further with two con- certs of American music, the first in Blythburgh Church by the Greenwich (Conn.) Choral Society, who will sing spirituals and shaker songs and will feature two Negro singers, Cynthia Clarey and Seth McCoy, the second at Snape, where the same choir will sing more recent music including Gershwin and some extracts from Scott Joplin's opera *Treemonisha*.

Others taking part in the Festival will be Rafael Kubelik, who will appear there for the first time to conduct the ECO in Dvorak and Schubert; Erik Mork the Danish actor in a programme devoted to Hans Andersen; Elizabeth Söderström, singing Britten's *Our Hunting Fathers* for the first time in this country; Andre Previn in trios by Shostakovich and Beethoven; Peter Pears, John Ogdon, Brenda Williamson, Malcolm William- son and many others.

There will be a concert in Framlingham Church with a talk on the architecture by Norman Scarfe; one in East Bergholt Church, with music by Constable and his contemporaries; one in Southwold Church. Two per- formances of *The Play of Daniel*, with David Munrow and the Early Music Consort of London will be given in Orford Church.

# WORLD TRADE NEWS

## Mitsui seeks ECGD backing for Polish deal

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Jan. 5.

MITSUI, the major Japanese trading company which has its European headquarters in London, is planning to use Export Credit Guarantee Department (ECGD) financing to cover nearly half the cost of a $450m. fertiliser complex which it hopes to build in Poland.

The ECGD has been asked to guarantee a $200m. loan from a bank in Britain towards the cost of the complex, while Mitsui is hoping to obtain another $250m. from Japan's own Export-Import Bank. If the money is forthcoming the project will be by far the largest joint effort between Japan and the U.K., or for that matter between Japan and any other country to date, in the field of plant exports.

The Polish complex would consist of three seperate fertiliser plants producing ammonia, urea and NPK together with "utilities" such as a power generating unit and a water treatment plant. Mitsui's plan is that the fertiliser plants should be built in Japan under the general supervision of Toyo Engineering. The utilities would be supplied by British companies with Lummus U.K. working as the main British subcontractor.

Mitsui has adopted an Anglo-Japanese approach to its persuit of the Polish contract chiefly because it did not expect to be able to raise the full amount of financing in Japan. It believes that ECGD agreement on its U.K. loan application is probable, but appears to have some doubts about the feasibility of raising all the money it is seeking from the Export-Import Bank.

The Polish contract attracted three tenders in all, the other two coming from a British and a French group. Mitsui appears to believe that it can get the contract provided financing problems are settled satisfactorily but notes that competition from the French group is still very strong. A decision on the Japanese Ex-Im Bank loan may be taken during or shortly after a visit scheduled to be made to Japan later this month by Poland's deputy minister of trade. If all goes well a financing agreement will be signed in April when the First Secretary of the Polish Communist Party, Mr. Edward Gierek, will be visiting Tokyo.

The Polish contract would be a turn-key one, unlike a contract already signed by Mitsui with the Soviet Union for the fob shipment of 20 ammonia plants over a period of years. Mitsui did not seek external participation in the Soviet contract but the company says that from now on the size and cost of major plant export contracts will make two-country financing an increasingly common practice. Previous instances of ECGD involvement in Japanese overseas projects involved the guarantee of a £8.9m. loan to finance U.K. exports of equipment for an Asahi Chemical acrylic fibre plant being built in the Republic of Ireland.

If both the ECGD and the Japanese Ex-Im Bank agree to back the Polish scheme some delicate soundings are expected between the two on the question of interest rates. Present indications are that the ECGD rate would probably be very slightly lower than that of the Ex-Im Bank. Any wide divergence however is ruled out by international understandings on the levels of rates to back plant exports.

Plant exports have not been a major force in Japan's overseas export effort until recently but are now receiving much more attention, both from the Government and from private industry, as the prospects deteriorate for traditional exports such as steel and ships.

In London the ECGD was not prepared to comment. But a spokesman said that such an approach was feasible and is likely to become more common with the increase in two-country financing of export contracts. He added that British companies acting as sub-contractors to overseas companies would be treated equally, when applying for ECGD backing as a British concern would be when it was the main contractor.

## Iranian discussions

TEHERAN, Jan. 5.

A JAPANESE financial and economic delegation led by Mr. Toshio Momoto, International Trade and Industry Minister, arrived here to-day for talks aimed at finding ways to expand trade and economic co-operation between Japan and Iran, Reuter reports.

The delegation, invited by Mr. Hushang Ansari, Iran's Economic Affairs and Finance Minister, is expected to discuss the proposed $2bn. venture between the two countries in a petrochemical complex in Bandar-Shahpur, south of here. Japan and Iran have spent $100m. on the plant, which is expected to be the biggest of its kind in the Middle East.

Meanwhile Mr. Anthony Wedgwood Benn, Britain's Secretary for Energy, flew to the Middle East to-day for talks with Iranian oil ministers. He would not talk about his visit before he left but said "I will be making a statement when I return on Saturday."

## Date set for Balkan conference

BY OUR OWN CORRESPONDENT

ATHENS, Jan. 5.

A BALKAN conference for broader cooperation in the economic field will be held in Athens on January 26, it has been officially announced here.

The conference is the first step towards broader cooperation in the Balkan peninsula in reply to an initiative by the Greek premier Constantine Karamanlis who sent messages to the heads of all Balkan States on August 21, 1975. He had proposed a conference at Secretary of State level on promoting multinational cooperation in economic, technological and environmental questions.

Participating in the conference later this month will be Bulgaria, Romania, Yugoslavia, Turkey, and Greece. Albania is the only Balkan country which has refused, claiming it is only intereste in bilateral talks with Greece.

Because most of the participants belong to conflicting ideological and military camps, the conference will of necessity be limited to the matters related to the economic field. The level at which the conference will be held has still not been announced.

Premier Karamanlis, who will pay a three-day official visit to Egypt beginning January 21, will be back in time to address the opening of the conference.

Bulgarian Foreign Minister Petar Mladenov will visit Athens from January 12 to 14 for talks with his Greek counterpart Mr. Demetrios Bitsios. The talks of the two foreign ministers will mainly concentrate on the topics to be discussed during the Balkan conference.

Observers here believe the conference will help ease tension between Greece and Turkey whose relations are strained over Cyprus and territorial disputes in the Aegean.

Greece's relations with the other Balkan countries are friendly and have been fostered by recent visits of Premier Karamanlis to Sofia, Bucharest and Belgrade. The Government, however, has been careful to underline that while it desires closer co-operation with its northern Communist neighbours, it pursues a pro-Western policy, geared towards Greece's full membership of the European Economic Community.

## Comecon expects 50% rise in internal trade

EAST BERLIN, Jan. 5.

TRADE BETWEEN members of the East European Economic grouping Comecon will increase by 50 per cent. in the 1976-80 plan period to roubles 300bn. (£192bn.) the East German news agency ADN reports. The highest growth rates are envisaged for machine-construction products, the agency said.

During the new five-year plan period, the Comecon states will for the first time carry out joint projects on the basis of an agreed plan of multilateral integration measures, the report said.

Six member countries—the Soviet Union, Bulgaria, Hungary, East Germany, Poland and Romania—are to take part in constructing a wood-processing combine producing 500,000 tons of cellulose a year in Ust-Ilim in the Soviet Union. The participating states will deliver machines, equipment and materials, and receive 200,000 tons of cellulose annually for 12 years after the combine begins production, the report said.

Meanwhile Soviet-East German trade will increase by more than 50 per cent. in value to more than Roubles 31.5bn. (£20bn.) in the next five years, according to the terms of a new trade agreement published in East Berlin.

A revised price scheme introduced a year ago by the East European Economic grouping Comecon will mean huge increases in payments for Soviet oil on which East Germany is heavily dependent.

The agreement, signed in Moscow last week, said Soviet deliveries of raw materials, energy carriers and other materials—including crude oil and crude gas—would be continued consistently and in some areas would be increased.

To cover its growing need for raw materials, East Germany will take part in investment projects in the Soviet Union, delivering complete installations, machines and equipment, and help set up joint integration projects.

Reuter

## Record Scotch exports

FINANCIAL TIMES REPORTER

BY THE end of November the value of Scotch whisky shipped to export markets had topped by £3m. the record set during the whole of 1974.

In the January-November period, Scotch worth £329.6m. was exported compared with the £326.4m.-worth sent out last year.

And, in spite of the recession, it looks as if the whisky industry will also pass last year's volume record as well. For at the end of November exports totalled 81.76m. gallons and the industry has only to equal the December 1974 level of 6.6m. gallons to close 1975 with exports more than 1m. gallons ahead.

This follows a very good November for the Scotch whisky business. Exports were up 61.7 per cent. in volume to just under 8m. gallons and up 67.9 per cent. in value to £33.55m. compared with November, 1974.

The steep percentage increases this November are partly accounted for by the fact that the previous November had seen a great drop in exports because of earlier stockpiling ahead of a threatened dock strike in the U.S.—the world's biggest market for Scotch. (The strike did not actually materialise.)

The only disturbing feature about the statistics for the industry is the "trading down" they show. For, while blended Scotch shipped in bulk for local bottling overseas rose by 14.8 per cent. in volume to 19.77m. gallons and their value by 28.5 per cent. to £37.75m., the more expensive bottled-in-Scotland Scotch recorded a 3 per cent. volume fall to 54.4m. gallons. Price increases helped keep the value ahead—by 6.9 per cent. to £272.4m.

Exports of malt whisky in bulk for mixing with spirit produced in overseas markets showed a 4 per cent. volume rise at 6.98m. gallons and was up 24.7 per cent. in value at £15.9m.

But malt Scotch whiskies shipped in bottle fell back in the 11-month period by 28.5 per cent. to 430,000 gallons and their value was down by 1.5 per cent. to £3.5m.

## New body to boost U.K. trade with India

By Our Asia Correspondent

MR. PETER SHORE, the Trade Secretary, and his Indian opposite number, Professor D. P. Chattopadhyaya, the Commerce Minister, yesterday formally agreed to set up an Indo-British joint economic committee. The agreement will be signed to-day and the first business meeting is expected to be held in London in the spring.

The two Ministers agreed that there should be annual meetings of the full committee which the Ministers would attend.

They also agreed to set up two sub-committees. One would deal with commercial relations and economic co-operation between India and Britain and its membership would consist of officials. The other committee would concern itself with export promotion and investment, including joint investment in third countries and would have businessmen from both countries among its members.

At yesterday's session, Professor Chattopadhyaya sought preferential treatment for India's exports within the EEC, as the Lome Convention signatories have achieved. Mr. Shore, according to Indian sources, promised he would do what he could to help India in attaining this.

In spite of an unexpected rise in its exports this year of 22 per cent., India expects to record its biggest ever trade deficit.

Britain occupies an important place in India's trade because it accounts for 40 per cent. of Indo-EEC trade, and the Common Market is India's biggest trading partner. But Britain itself has grumbled with India because of a rising trade deficit—£70m. last year.

The new committee will discuss both bilateral and multilateral economic problems. Professor Chattopadhyaya suggested that India might provide Britain with a useful source of iron ore, and said that Indian and British companies might be able to work profitably together in projects in the Middle East. These issues will probably be discussed at the first full meeting of the committee.

## Egypt to sell oil to India

By K. K. Sharma

NEW DELHI, Jan. 5

EGYPT IS to supply India with 500,000 tonnes of crude oil on payment of Rupees under a new trade agreement signed here breaking the two-year-old stalemate in commercial relations between them.

In exchange Egypt will import from India iron and steel products, coking and blending coal for its steel mills and a variety of engineering items.

The new agreement, providing for an annual turnover of Rupees 1.2bn. (£66m.) represents a nearly four-fold increase in bilateral commercial exchanges. But this will be the last Rupee trade agreement between the two countries. They have decided to switch to trade in freely convertible currencies from January 1977.

This will be the first time that Egypt will be supplying crude to India. It is hoped that this is only a beginning and that supplies will increase as Egyptian oil output goes up now that Israel has returned the Sinai oil fields. The agreement also provides for the supply to India of about 30,000 tonnes of rock phosphate and some rice.

## Nigerian ports decree

By Cameron Duodu

LAGOS, Jan. 5

THE NIGERIAN Government has published details of the new legislation governing the arrival of vessels at the country's ports.

A ship master who sails into Nigerian ports without first obtaining an entry notice from the Nigerian Ports Authority risks two years imprisonment without the option of a fine. The entry notice will only be issued by the authority upon receipt of a notice of departure from the ship two months before it sails, as well as a description of its cargo and tonnage.

The owner of the ship is liable to a similar term of two years imprisonment or a fine of Naira 10,000 for each day that the boat stays in Nigerian territorial waters.

The legislation, entitled the Ports (Emergency Provisions) Decree No. 40 of 1975, gives statutory force to regulations published in August and September, 1975, proscribing shipment of cement to Nigeria and enjoining shippers to give two months' advance notice before sailing for Nigeria. The Nigerian Government says the decree will be reviewed as soon as the ports situation improves.

Currently the discharge rate of cement from ships is estimated at between 18,000 and 20,000 tons a day as a result of the emergency measures launched two months ago, compared to just over 2,000 tons a day at the end of July.

The Nigerian Ports Authority's shipping movements bulletin published in Lagos just before Christmas gave the number of ships awaiting berthing facilities at the Lagos ports complex as 272. This included 149 carrying 1,354,723 tons of cement.

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# Kennedy reiterates refusal to run for nomination

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 5.

ENATOR Edward Kennedy rom Massachusetts again reiter- ted to-day that there were no ircumstances that could per- uade him to run for the Demo- ratic Presidential nomination ?is year.

His statement was apparently ? response to a newspaper inter- iew given by his mother, Mrs. ose Kennedy, who said: "I feel eddy may be pressured into unning for President this year. don't want him to but the pres- ures may force him."

Mrs. Kennedy, a formidable atriarch, has been the biggest ngle factor in dissuading her st surviving son from running. he believes that his family esponsibilities are paramount ollowing the assassinations of his two brothers, John and Robert, and that if he ran he would court the same fate. However, she hinted in the interview that if he felt he had to enter the race should would not hold him to his promise. The one circumstance that might prompt such a decision would be if the divided Democratic Party, at its convention in New York in July, appeared to be falling into the hands of George Wallace from Alabama, with nobody, not even Senator Humphrey, apparently able to stem the tide. If this were to happen, the pressures on the Senator to which Mrs. Kennedy alluded could indeed be great.

However, Mr. Kennedy, who has even taken out affidavits to keep him off the primary ballots in several states, said that "nothing is going to change my earlier statement or position."

Meanwhile, yet another Democrat appeared to be on the verge of entering the nomination stakes to-day. Senator Robert Byrd from Virginia, the colourless but effective chief whip, said that a committee for election in his name was being formed. Mr. Byrd may be playing politics in pursuit of the Vice-Presidential spot or he may be paving the way for a "favourite son" candidacy in his home state and some of his southern neighbours designed to give him more of a role at the convention. An aide, however, said that he thought Mr. Byrd was a potential Presidential candidate.

# National Airlines employees end 126-day strike, sign 4-year pact

BY JAY PALMER

NEW YORK, Jan. 5.

ATIONAL AIRLINES, the nallest of America's three in- rnational carriers, has reached reement over a new 46-month age contract with its flight tendants, and ended its 136-day rike. The strike, which began September 1, was the longest er suffered by National and ry nearly the longest ever seen the U.S. domestic aviation in- istry.

The new contract with the rline's 1,200 flight attendants ovides for wage increases of ore than 30 per cent. over the xt 46 months. Except for a w very minor changes, the reement now reached is identical to terms rejected by rank-and-file employees in a November postal vote.

The National shutdown, coupled with the 16-day strike at United Air Lines in mid-December, created a Christmas transportation bottleneck which, according to the Transportation Department, is only now ending. It was the second lengthy strike at National this year, and was the 11th strike at the airline over the past 20 years.

Until these two stoppages in 1975, National had been one of the most profitable U.S. airlines, earning net 1974 profits of \$31m. on revenues of \$457m. During this last strike, the carrier received \$52m. under the industry's mutual aid pack from other operating airlines. Since 1970 (but not including this latest strike) National has received \$71m. under the pack and paid out only \$4m.

The airline said this morning that it would restart flight schedules to-morrow to position crews for a sharp jump in the number of flights later this week. National added that it would not be back to full domestic and international schedules before the end of this month.

# U.S. Treasury sets countervailing duty on Italian float glass

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 5.

IE United States Treasury nounced to-day that it had cided the exports of Italian at glass to the United States ere being improperly subsi- sed and would therefore be ble to imposition of counter- iling duties.

This was one of a handful of lings involving countervailing ties handed down to-day. In the Treasury found seven stances where it might take aliatory action, but only four talian float glass, Brazilian ther handbags, Korean non- bber footwear and Taiwanese shoes) where it may be acting in practice.

The other three cases consisted of cheese from Austria and Switzerland and steel plate from Mexico. In these instances, the Treasury said that it was satisfied that measures had already been taken to eliminate or reduce substantially the subsidies provided by the manufacturing countries.

As far as Italian float-glass is concerned a countervailing duty of 10 per cent. has been set, with the proviso that this may be changed once additional data is received. According to the Treasury Italian sales of float glass to the U.S. amounted to \$500,000 in 1974.

The Treasury also said that it had found no justification for imposing countervailing duties in six other cases, including one, Japanese electronic products, where imports into the U.S. amounted to \$1.7bn. in 1974. Also exempt were float glass from West Germany and Belgium, footwear from Argentina, Ferrochrome from South Africa and, of course, asparagus from Mexico.

## California fines American Motors \$4.2m.

LOS ANGELES, Jan. 5.

IE State Air Resources Board s fined American Motors Cor- ration \$4.2m. and ordered it halt sales of some of its cars the state.

The Board said the action was ompted by anti-smog violations d alleged false test reports sub- tted by American Motors. The ard halted sales of all erican Motors models of tadors, Hornets and Gremlins h V-8 engines.

uter

## Singer/GECC debtors deal

By Our Own Correspondent

NEW YORK, Jan. 5.

NGER has sold to the General ctric Credit Corporation ECC) for about \$88m. substan- ly all the existing consumer tors generated by the sale of ing machines and other pro- ts and services by Singer il stores.

## Argentine problems in fulfilling Cuban contract

RIO DE JANEIRO, Jan. 5.

ARGENTINA'S contract to supply \$500m. worth of cars, trucks and parts to Cuba through the end of 1976 is running into difficulty because of economic problems.

The difficulties have arisen, essentially, because of Argentina's inflation and the sundry economic woes that are accompanying the price spiral. The car makers involved claim that rapidly rising production costs mean that they currently are selling cars to Cuba at a *loss*. Production has been falling below planned levels and delivery dates are not being met.

"Some companies have delivered only part of scheduled orders, or nothing at all," says one Argentine official. In contrast to the recent situation, he adds, schedules were generally maintained in the early months of the arrangement (the contract was signed in January, 1974), before Argentina's economic woes became so great. Inflation recently hit annual rates of more than 100 per cent.

Under the terms of the transaction, prices are supposed to be adjusted only on a yearly basis, and then only to the extent that international price levels generally appear to be rising. Clearly, Argentine prices—and production costs— are rising far more rapidly than the car prices may be raised under contract terms.

Besides the price problem, production-line foul-ups have added to the difficulties. For instance, a Cuban official complains that many cars arriving in tropical Cuba have heaters—definitely not on the order list.

AP-DJ

## Humphrey leads

ALREADY trailing Ronald Reagan in the Gallup poll, President Ford has learned that the Louis Harris organisation's tallies show him well behind Senator Hubert Humphrey. The latest survey shows Mr. Humphrey leading President Ford by 52 to 41 per cent. Two months ago, Harris gave Ford a 48 to 42 per cent. edge over the Democrat. Although this poll makes no direct Ford-Reagan comparison, it does say that Mr. Humphrey is leading Mr. Reagan by a rather smaller margin (50 to 43 per cent.) than he enjoys over the President.

# Gloomy forecast on Guyana

BY OUR OWN CORRESPONDENT

GEORGETOWN, Jan. 5.

. FRANK HOPE, Guyana ance Minister, has forecast a le surplus of G\$32m. (about m.) in 1976 for the English- aking South American repub-

After invisible receipts and ments are taken into account surplus will fall to G\$25m., net capital inflows will turn t into an overall surplus of 5m.

n presenting the 1976 budget, Hope also forecast that eign reserves would have ched G\$256m. by the end of year—their highest level ever substantially more than the 4m. recorded in 1974. How- r, a payments deficit is ected this year because of ing sugar prices in particular falling export values in eral. The deficit will be met n the foreign reserves.

fr. Hope forecast that the ntry would end the current r with a budget deficit of 7m. The 1976 budget, which approved on December 5, vides for G\$402.1m. current G\$261m. capital expenditure, compared with last year's ised figures of G\$347.4m. cur- t and G\$255.1m. capital. other budget deficit is fore- for next year, reaching G\$214.2m. The deficit will be met by withdrawals from the foreign reserves since no new taxes have been proposed. Mr. Forbes Burnham, the Prime Minister, explained that it is no longer the practice for developing countries to hold high levels of foreign reserves since, he said this is a form of lending to the developed countries.

The Finance Minister also announced that there will be greater control over the deployment of commercial bank credit, and that the trend of trade diversification more in favour of the socialist bloc will be continued, as will existing import restrictions and controls on foreign exchange. Publicly-owned enterprises requiring requiring large-scale financial resources for investment in specific projects will be encouraged to seek external loans to reduce the demand on the domestic banking system. Commercial bank credit will be directed away from consumption and more towards the productive sectors. Some limits will be imposed this year on lending to the private sector "as distinct from the public and the co-operative sectors," Mr. Hope said. He explained later that this does not mean that the amount normally available for private sector lending would be reduced since it was expected that the private sector would be able to borrow about the same amount next year as this. Tighter restrictions will also be placed on domestic credit to foreign companies which will be encouraged to borrow more from overseas financial institutions.

Initial financing has been provided to launch a number of new state-owned manufacturing companies. They include a cotton textile mill to be built this year with Chinese assistance to produce 11m. yards of cotton annually and provide 1,000 new jobs; a G\$20m. cement plant to be built jointly with Barbados to produce 140,000 tons annually and provide 51 new jobs; a G\$14.7m. plant factory to produce 11m. square feet of sheet glass and satisfy the need for bottles, and to provide 400 new jobs; a G\$10m. paper recycling plant to be built with Indian assistance to produce 5,000 tons annually and employ 350 persons; a composite textile mill to produce 12m. yard of composite textile annually; and a G\$100m. forestry complex.

SAN FRANCISCO'S NEW MAYOR

# The conservative liberal

BY MAURICE IRVINE, IN LOS A

SAN FRANCISCO gets a new Mayor on January 8, and with him, citizens hope, a new era of fiscal conservatism which will save the city from a fate similar to New York's. Not that, the Mayor-elect, Mr. George Moscone, 46, is a conservative: he is one of the more liberal Democrats around: but, like many another American politician this year, he has picked up a loud, clear message from the voters.

It is: stop spending, start pulling back, and do not knuckle under to union demands. Your archetypal New Conservative is, of course, California Governor Jerry Brown, who has made himself popular with the public through his fiscal prudence. The handsome, youthful-looking Mr. Moscone was quick to compare himself with Governor Brown. "Maybe Jerry and I can shatter this myth that to be liberal means to be fiscally irresponsible," he said after his victory. "Being liberal has always meant having respect for people's wallets. If we won't represent working people and the poor who can ill-afford to pay more than their share of taxes, who does?"

San Francisco has been run by politicians who call themselves liberal Democrats for years now, and in that time it has been on a spending spree of phenomenal proportions. It has bought itself the world's most modern (and expensive) subway system, at \$1.6m. When this proved dangerously inefficient and chalked up a deficit of \$20m. a year, City fathers hired a former Nixon whiz-kid to run it for them at \$68,500 (plus generous fringe benefits) a year — the highest salary in state government. Since 1969, San Francisco has also spent \$33m. on a still-to-be-realised industrial park, millions more on a now-abandoned convention centre project.

Another pet scheme of the outgoing administration headed by another Democrat, Mr. Joseph Alioto, was the beautification of Market Street, the city's main thoroughfare. The facelift, costing \$35m., was supposed to turn the broad street into one of the world's great boulevards, a rival to the Champs Elysee or Via Veneto, and it incudes such items as 232 three-globe light standards (replicas of ornate 1916 lamp-posts), 700 sycamore trees, five plazas, red-brick sidewalks, granite bicycle racks (\$1,900 each), and giant bronze refuse bins (\$950 each). Despite all this, the "new" Market street is lined in many spots with cheap shops, grubby cafes and abandoned buildings. It is frequently strewn with rubbish and dirt—the city has a shortage of street-sweepers, although it offers them no less than \$17,000 a year.

For San Francisco's 700,000 citizens, the breaking point came with last August's illegal strike by police and firemen. They wanted a 13 per cent. pay increase (a police recruit was already getting more than \$16,000 p.a.). To the general outrage, the Mayor—after holding out for a few days—gave way to all the demands, saddling the city with another heavy addition to its wage bill and tax load. In the eyes of many, the Mayor had set the city on the road to anarchy and bankruptcy.

Thus the key issue in the recent election was who, in ultra-liberal San Francisco, would "stop the rot."

Mr. Mervin Field, the California pollster, observed that the big question was whether the rising tides of conservatism were strong enough to carry a hard-line Republican into office in one of the very few U.S. cities that supported Mr. George McGovern against President Nixon in 1972. The Republican in the running was Mr. John Barbagelata, a one-time worker for Mr. Nixon's re-election, who takes a strong pro-business, anti-permissiveness stance.

A few months ago, no one would have given the 56-year-old Mr. Barbagelata a chance, but by denouncing union power and greed, and damning Mr. Moscone, as "the biggest spender in state government," he almost turned the trick. Mr. Moscone squeaked home by only 4,315 votes out of nearly 200,000 cast.

Had Mr. Barbagelata softened his attitude on social matters, he would probably have won. But he managed to get on to the wrong side of San Francisco's hyper-active gay community, for one, by preaching morality and snubbing gay activist leaders. That cost him an estimated 20,000 gay votes, and the election. "Mr. Barbagelata clearly thought we were some kind of sub-human freaks," said a millionaire publisher, Mr. David Goodstein, who owns the *Advocate*, the nation's largest gay newspaper (and is himself a Republican). "George Moscone on the other hand understands gay people."

> **The Mayor-elect has promised voters that he is going to give them "the greatest sense of fiscal integrity they have ever seen."**

Mr. Barbagelata's appeal was to the white, middle- and upper-income groups, the elderly, and people on fixed incomes; in short to Middle America. Rising crime and taxes are their chief worries, plus the octopus-like growth of state government, and they showed it by voting overwhelmingly for measures, sponsored by him, to put a ceiling on police and firemen's pay; eliminate a system which had allowed some fantastic city salaries; and to tighten rules governing the firing of public employees who strike.

A vengeful police force hit back next day by writing 1,114 parking tickets—more than three times the number issued on a normal day. Police frustation, in a city with one of the highest violent crime rates in the U.S., is perhaps understandable. It is one more problem which the new Mayor must face, and not the biggest. As Mr. Moscone says: "The worst danger is that we might get into the same terrible predicament as New York."

San Francisco remains solvent, but in recent years its once-famous port has gone into a devastating decline, while—as in New York — businesses and wealthy residents have moved out to the suburbs, leaving those who remain to pay more and more taxes. The white population has declined by nearly 100,000 in a decade, the black community increased by more than 20,000 and welfare payments have nearly trebled. The city's property tax, at \$12.75 per \$100 of assessed valuation, is already higher than New York's (at \$8.19).

"We cannot hope to get a vote to raise property taxes again," says a top city administrator. "So before long we may have to start cutting vital services."

Meanwhile, the Mayor-elect has promised voters that he is going to give them "the greatest sense of fiscal integrity they have ever seen." Mr. Moscone has yet to reveal precisely how he will manage that.

# Chile rejects charges

BY OUR FOREIGN STAFF

CHILE HAS formally rejected the allegations that the British doctor, Sheila Cassidy, was tortured after her arrest by Chilean police. A note to this effect was handed to Mr. Robin Edmonds, assistant under-secretary at the Foreign Office, yesterday by the Chilean Ambassador in London, Rear Admiral Kaare Olsen.

The note said the Government had already carried out an inquiry into the allegations and found them to be untrue. Mr. James Callaghan, the Foreign Secretary, who is still at his farm in the country, is studying the text, but it is likely that Britain will still go ahead with its protest to the UN Commission on Human Rights.

# Deposed president returns to Peru

LIMA, Jan. 5.

BRANDED as traitor by the national Press and carried shoulder-high by his supporters, Peru's last civilian President Fernando Belaunde Terry has returned home after seven years' exile.

Senor Belaunde Terry drew wild applause shortly after his arrival at the airport here yesterday when he told 2,000 followers that they must be governed according to consultative elections.

It was the first time he had spoken publicly in Peru since 1968, when he was ousted and exiled by the military, who closed Congress and launched a Left-wing social revolution.

Some 300 riot police stood guard at Jorge Chavez Airport during the speech, but there was no reported trouble.

Daily newspapers, which were expropriated by the military government in 1974, yesterday attacked the 63-year-old former President with headlines like "The Traitor Returns to Peru."

Newspapers recalled a contract signed by Belaunde's Government in 1968 with the U.S. International Petroleum Company which the military claimed was a sell-out. Reuter

SOVIET-TURKISH RELATIONS

# A hug from the bear

BY METON MUNIR, ANLCARA CORRESPONDENT

FOR MANY years Turkey's border with the Soviet Union was a corridor ushering in icy draughts of memories from an unhappy past—centuries of wars lost to Russian Tsars—and, more recently, of Stalin, who tried to make a satellite of the Turkish republic. The border is 610 kms long and is one of the most heavily fortified in the world. It starts on the Black Sea, running south in the form of an arc through snow-bound plateaux and mountains and merges with the Arpacay river which constitutes the last several hundred kilometres of the border.

Next summer Turkish and Soviet engineers will go to work on the Arpacay to build a joint dam which will irrigate fields on both sides of the frontier. The dam will be the first Turco-Soviet edifice of peace on these poor animal farming uplands, more used to war memories and cemeteries. It will also mark the dramatic departure in the relations between the two states and, in the words of Turkish Prime Minister Suleyman Demirel, make the Turco-Russian border "a border of peace and friendship."

Since 1677 Turks have waged 13 wars with Russia, most of which they lost. The Russian advance towards the Black Sea and then along its eastern and western shores was one of the basic causes of the fall of the Ottoman Empire. Capturing Istanbul, "the heart of the sick man of Europe," and establishing control on the Dardanelles was a national aim pursued by all the Tsars.

The formation of modern Turkey coincided with the birth of the Soviet Union and in 1921 Lenin and Ataturk signed a treaty of friendship and in 1925 a treaty of non-aggression which opened a period of peace between the two traditional enemies. Lenin, in fact, sent Ataturk money and arms to help in his war of liberation against the Greek invaders.

Stalin put an end to this relationship after the Second World War. Starting from where the Tsars had left off, the Soviet dictator demanded a military base on the Dardanelles and territorial concessions in eastern Turkey. He also denounced the non-aggression treaty, committing one of his biggest foreign policy blunders and causing a mess which the Soviets are still trying to clear.

Turkey refused to discuss Stalin's claims and did not give in. Turco-Soviet relations remained icy until Stalin's death in 1953. Although his successors retracted Stalin's demands and Khrushchev went so far as to call Stalin's policy "idiotic," Turkey was by this time firmly in Nato and had become one of the most militant anti-Communist countries of the cold war.

It was not until the late 1960s that Turkey, disappointed with the lack of support it was getting in Cyprus from its allies, particularly the U.S., responded to Soviet overtures of friendship. Statesmen exchanged visits, Moscow began giving credits to Ankara and a period of normalisation began. In the last eight years the Soviets gave Turkey more than $1bn. in loans, one of them for a 4m. tonne capacity steel mill which will be one of the biggest financed by the Soviets abroad.

SULEIMAN DEMIREL . . . looking both ways.

ALEXEI KOSYGIN . . . fruitful visit.

Last week, Soviet Prime Minister Alexei Kosygin, who came to Turkey to inaugurate the first phase of this plant, and Demirel agreed in Ankara "on the preparation of a political document on friendly relations and co-operation to be signed in the near future at a high level meeting." Although falling short of the Soviet desire to sign a treaty of non-aggression with Turkey, it indicated that Moscow was making headway in its efforts to win over Turkey. Unless the Soviets repeat Stalin's blunders or Khruschev's erraticism, it is likely that this progress will continue reaching the rapport which existed between Stalin and Attaturk.

Although the Soviets have officially renounced any claim on Turkish territory they have not abandoned their ambition of having a say on the status of the Dardanelles, the narrow gateway between the Black Sea and the Mediterranean, and wooing Turkey away from Nato. To this end, Moscow has followed a policy of noninterference with the hope of creating a sense of security in Ankara Governments and encouraging the strong Left-wing and neutralist tendencies in Turkey.

Ankara, for its part, reciprocated by trying not to provoke a sense of insecurity in the Soviet Union arising from the American and Nato bases on Turkish soil and its control of the straits.

Despite the favourable development of its relations with the Soviet Union, Ankara has no intention of withdrawing from Nato and is fully aware of Soviet ambitions over Turkey. The movement of Soviet diplomats and technicians in Ankara are closely scrutinised as well as the growing Soviet influence in the Mediterranean and the Middle East. Ankara wants to improve and intensify its rapport with its mighty northern neighbour but will not engage in political commitments which will compromise its ties with Nato.

Ankara is further motivated by its disenchantment with its western allies, particularly with the U.S., since the beginning of the last decade over the Cyprus question. Last year Turkey shut down the American bases in Turkey and abrogated its defence treaty with the U.S. in a riposte to the Congressional ban on arms supplies to Turkey because of Cyprus. Although the embargo was partly lifted last October, Turkey did not retract these steps. Negotiations are taking place between the two allies on a new deal and it was no coincidence that Kosygin visited Turkey only a week before these talks were due to resume.

The embargo buttered Moscow's bread in more than one way. It seriously eroded Washington's credibility as a reliable ally in a future war with Russian both publicly and in official circles. It not only prepared the ground for future rapprochement between Ankara and Moscow, but also provided the public support for it.

Turks do not believe that Washington will go to war with them against Russia and are thus trying to create the conditions in which that war will not take place or involve Turkey. The Soviets have urged Ankara to keep the American bases shut and assured Ankara that it has nothing to fear from the Soviet Union.

Political observers in Ankara say that the proposed Turco-Soviet accord will not have a significant effect on Turkey's relations with Nato or on the negotiations between Ankara and Washington on the new, post-embargo defence relationship. They say Mr. Kosygin proposed the signing of a Treaty of Friendship, Co-operation and Non-aggression which Mr. Demirel refused to consider. The accord, which he did agree to sign, will be a bilateral reassertion of the principles embodied in the Helsinki document.

"Outwardly this appears important but it is little more than an effort to put something on Mr. Kosygin's luggage so that it would not appear too light in Moscow," said Sen. Kamran Inan, chairman of the Turkish Senate Foreign Relations Committee. But he too conceded that Mr. Kosygin's visit had served the cause of relaxing tensions between the two countries—"not as much as the Soviets wanted, but enough."

Americans, like most western diplomats here, were puzzled as to what the accord will embody or entail. But they say Washington is not opposed to a growing rapprochement between Turkey and the Soviet Union as long as it does not compromise Nato. They believe that better relations between the two will contribute to the volatile stability in the Middle East and even in the Balkans and the Black Sea.

Negotiations on reopening the American bases here in Turkey will not be affected. They are expected to make some headway shortly. Turkish Foreign Minister Ihsan Sabri Caglayangil is due to visit Washington in February where a review of Turkish American relations will take place. "The fact that the bases are still inactive has got nothing to do with the Soviets," a senior Turkish diplomat said.

Perhaps the best evaluation of the accord is that it reflects, more than anything else, Turkey's desire to get its own share of detente in the post-Helsinki period, but not a radical change of policy leading up to a private deal with the Soviets.

# No denial from Fitzgerald on EEC job

BY GILES MERRITT

DUBLIN, Jan. 5.

IRELAND'S Foreign Affairs Minister, Dr. Garrett Fitzgerald, to-day carefully avoided denying reports here that he is in line for the job of President of the EEC commission when it falls vacant at the end of 1976, although the position was to have been assigned to a British nominee.

In a considered statement, Dr. Fitzgerald described the reports as "speculative," and pointed out that the President is selected "from among their number by members of the Commission." But he did not rule out the possibility that he might replace Ireland's Social Affairs Commissioner and EEC Vice President, Dr. Patrick Hillery, who is in any event due to step down this year, and thus qualify for nomination.

The Dublin government is understood to have received no official approaches from other member governments of the Nine, although there is persistent speculation here that as many as five Community governments have privately indicated that they would support Dr. Fitzgerald's application

In Dublin's diplomatic circles it was also being stressed to-day that the British government had privately indicated its intention to waive its scheduled turn to fill the post of President when M. Francois Xavier Ortoli, of France, completes his second two-year term in December of this year.

In a short and non-committal communique from the Foreign Affairs Ministry in Dublin, Dr. Fitzgerald nevertheless contrived to show that he was far from displeased by the reports. Although he described the speculation as based on the misunderstanding that the EEC Commission's President is chosen by governments rather than the Commissioners, he added: "However, I naturally welcome the implied compliment."

Any move to draft Dr. Fitzgerald into the £40,000 a year President's job naturally stems from his highly successful presidency of the EEC Council of Ministers during the first half of 1975, when Dr. Fitzgerald rapidly established himself as a formidable and resourceful champion of European co-opera-

# Czech Premier visits Turkey

By Metin Munir

ANKARA, Jan. 5.

CZECHOSLOVAK Prime Minister Lubomir Strugan arrived in Ankara to-day for a three-day visit which constitutes the newest landmark in Turkey's efforts to improve its relations with the Warsaw Pact countries.

Strougal, the first Czechoslovak Prime Minister to visit Turkey, was accompanied by his Minister of Foreign Trade, Andrej Barcak.

Since assuming his premiership last April Turkey's Premier Suleyman Demirel has visited Romania and Bulgaria and hosted Soviet Prime Minister Elexei Kosygin



# Moro now expected to quit after Socialist meeting

BY DOMINICK J. COYLE

ROME, Jan. 5.

IT IS now widely assumed in political circles here that the Government of Prime Minister Aldo Moro will resign shortly after Wednesday's meeting of the leadership of the Socialist Party which is expected to decide to withdraw formally the party's support from the minority coalition Government.

External support by the Socialists is necessary to maintain the Christian Democrat Republican Party administration's majority in the Chamber of Deputies. Its loss is more likely to result in Sig. Moro's early resignation than in a move by the Government to seek a new vote of confidence from Parliament.

The Socialist Party is showing no public signs of reconsidering the decision of its general secretary, Sig. Francesco de Martino, to bring about an immediate Government crisis, although some observers here note that there is still time for a last-minute agreement between the Socialists and the Christian Democrats to avoid a collapse of the Government.

It is, however, difficult to see what significant new "concessions" the Prime Minister could make to the Socialists who argue that all of their policies have been ignored by the Government which has, at the same time, reached an ad hoc accommodation on a number of important issues with the opposition Communist Party.

Neither the Christian Democrats nor the Communists want early elections, each insisting that what is needed now are positive measures to deal with the pressing economic and social problems facing the country and not a lengthy political crisis which could only be resolved either by reconstituted Government or by bringing forward the general election scheduled for the spring of next year.

The Communist Party newspaper L'Unita, in an editorial to-day, took note of a question directed to it by the Socialists as to whether the party thought the Moro Government should be kept alive "at all costs." The paper replied "No," but added that so far the Socialists had not given sufficiently strong reasons "why the Government should be ousted at all costs."

Indeed, the Socialists have been much more forthcoming in insisting on the need to bring about a Government crisis than in explaining what precisely the party is seeking. The most likely explanation remains that the Socialists fear the present informal alliance which has developed between the Christian Democrats and the Communists. The price to be paid for not trying to head off the evolution of this alliance into the so-called "historic compromise" — bringing the Communists actually into the Government — could well be the demise of the Socialists as a political force on the Left, according to many party strategists.

An alternative explanation is that De Martino and some of his colleagues saw in last year's regional election results an indication that the electoral tide may have started to move, albeit rather marginally, in the direction of the Socialists, and that the party would now gain in any early national election.

The odds remain, however, that the Socialist leadership does not really want an early national contest but is hoping to force the Christian Democrats, whether under Sig. Moro or another leader, to reconstitute the Government in order to reflect in its programme more socialist policies, particularly in the field of economic management and, immediately, in measures to combat the present high level of unemployment.

# Spain to relax law on assembly

BY ROGER MATTHEWS

MADRID, Jan. 5.

THE Spanish Government is preparing legislation which will give greater freedom to people attempting to stage demonstrations, but will specifically rule out any formal participation by parties with Communist affiliations. Until the new law is enacted, police have been ordered to use the minimum force in controlling such demonstrations.

Under the rule of General Franco, any demonstrations by non-regime groups were forcibly repressed and participants liable to arrest and imprisonment. Authoritative sources said to-day that the new law will be enacted as quickly as possible and could follow soon after the Government's major policy statement due to be given by Prime Minister Carlos Arias, towards the end of this month.

The Government has been encouraged by what it sees as the very small response to attempts at demonstrations called since the death of General Franco, and by the "very limited" numbers taking part in calls for general strikes. It does not foresee any threat of tens of thousands of people taking to the streets to demand either greater economic benefits or the introduction of more positive democratic reforms.

Official sources claim that even the semi-controlled domestic Press has exaggerated the numbers demonstrating in Northern Basque towns over the week-end in favour of a general political amnesty. And as evidence of the new regime's hostility towards all extremists, it was pointed out that police in Barcelona have detained two presumed Right-wingers who are to be accused of taking part in attacks on Left-wing book shops.

Over the longer term, the more liberal members of the Government foresee the election of a new second Parliamentary chamber which will eventually replace General Franco's Cortes. This latter body will gradually be reduced to the status of the British House of Lords.

Meanwhile, however, there are signs of mounting labour hostility to the official ceiling on wage rises and to-day nearly 80 Chrysler workers staged a sit-in at a Madrid church to demand that sanctions imposed on colleagues because of their participation in earlier industrial action should be lifted.

Official Government sources admit that, with several major wage deals pending during the next three months, this could be an important period for the evolution of Government policy.

# Third World seeks consensus

BY ROBERT MAUTHNER

PARIS, Jan. 5.

DELEGATES FROM 19 oil-producing and developing countries embarked on a new round of talks here to-day aimed at removing the remaining obstacles to the opening of a fruitful dialogue with the oil-consuming nations.

This further preparatory meeting has been made necessary by the continuing disagreement, not only between the producers and consumers, but within the group of developing nations itself, over the nature of the mandates to be given to four joint commissions on energy, raw materials, development aid and related financial problems.

The one concrete decision taken at last month's Ministerial meeting here of the "19" and eight industrialised participants was that the four commissions should start meeting on February 11. But the controversial question of their mandates, which had already bedevilled all the previous preparatory meetings, was left open after Algeria had insisted that they should be spelled out in greater detail.

The Algerians maintain that unless very specific political directives are given to the commissions, the whole North-South dialogue is doomed to failure. They are particularly anxious that the question of the indexation of oil prices on those of manufactured imports into the developing countries should be clearly specified in the mandates of the commissions.

It was this demand which was the main stumbling block at last month's Paris meeting and, even if a consensus is reached within the group of developing nations, it may still cause a great deal of trouble when the ten conference and commission co-chairmen meet here on January 26.

The view of the industrialised nations is that the problem of the mandates had been settled as long ago as October when it was decided that any relevant subjects could be raised for discussion in the commissions.

Algeria, which has played a leading role throughout the preparatory phase of the conference, succeeded in irritating not only the industrialised countries but also its own, non-oil developing partners at last month's meeting.

The Algerians may therefore find it more difficult to get their way in the future.

# Swiss to keep existing gold stocks valuation

BY JOHN WICKS

ZURICH, Jan. 5.

THE SWISS National Bank intends to retain the existing valuation of its gold stocks, according to a statement made to the newspaper "Basler Nachrichten" by Dr. Fritz Leutwiler, the bank's president. The National Bank currently holds gold worth Sw.Frs.11.593bn. At a valuation, unchanged since the Swiss Franc revaluation of May, 1971, at Sw.Frs.4,595.74 per kilo fine gold.

At present, Leutwiler added, the National Bank had no plans to buy or sell gold. However, gold transactions in the future were not wholly out of the question, particularly if these could serve the interests of Swiss export promotion. Similarly, credits to other central banks with gold coverage—like those between West Germany and the Banca d'Italia—might be possible.

With regard to any future Swiss entry to the International Monetary Fund, Leutwiler said this possibility could not be excluded at some future date but that he personally believed the time for entry was not yet ripe.

A National Bank communiqué issued to-day said that an average growth in money supply of 6 per cent. was programmed for 1976. The same increase had been foreseen for the past year, but for the first ten months had reached only 4.2 per cent. This was a result of the 1975 slowdown in the national economy, gross national product having risen only by 2 per cent. instead of an expected 6 per cent. in absolute terms, and dropped by 4 per cent. instead of the anticipated standstill in real terms.

For 1976 the National Bank says it reckons with a modest real-term growth of the economy. The bank's money supply policy will take into account the needs of business recovery, anti-inflation measures and a steadying of money flow.

# Bonn surplus slashed to DM7.4bn.

By Adrian Dicks

BONN, Jan. 5.

WEST GERMANY registered a DM.7.4bn. surplus on its basic balance of payments during the first 11 months of 1975, compared to the massive DM.20.3bn. surplus achieved during the corresponding period of 1974, the Bundesbank reported in Frankfurt to-day.

Reflecting the effects of a contracted world economy which have been evident for some months past, the latest figures show a drop in last year's export surplus of some DM.12bn. to a new level of DM.33.9bn. for the January-November period.

Also contributing to the overall reduction of the German surplus were deficits of DM.9.4bn. on the services account, of DM.15.8bn. on the transfer account (reflecting foreign workers' remittances and contributions to the European Community budget), and of DM9.1bn. on the capital account.

# Malta policy confirmed

BY GODFREY GRIMA

VALETTA, Jan. 5.

BRITAIN WILL completely withdraw from Malta by the end of 1979 when the existing military facilities accord expires. This was emphatically stressed by Mr. Roy Mason, Britain's Defence Secretary, at the end of a three-day visit to British forces here. Mr. Mason twice conferred with Maltese Premier Mr. Dom Mintoff during his visit.

Mr. Mason's forthright remarks were clearly aimed at the opposition Nationalist Party which favours, in its election manifesto, a mutual defence pact which would extend Britain's military presence on the island. Opposition leader Dr. George Borg Olivier is opposed to renting out military bases on principle.

With Malta's elections due later this year Mr. Mason's remarks would seem to weaken this aspect of the nationalists' elections argument. Mr. Mason virtually ruled out the possibility of even holding negotiations on the subject if a Nationalist Government is returned this year. He stated: "The British Government is determined to withdraw irrespective of what could happen and of anybody's wishes. We are not looking at Malta after 1979. We don't want to build any false hopes."

Mr. Mason's comments would seem to strengthen Premier Dom Mintoff's platform. His Labour Party is fully committed to closing down British bases by 1979 and Mr. Mason has made it clear that it would be hopeless believing a new military accord could be negotiated.

# 'Wine war' threatened

By Rupert Cornwell

PARIS, Jan. 5.

FRANCE'S irate wine growers are planning a campaign of widespread illegal action in a desperate attempt to secure a halt to the Italian wine imports which they claim are wrecking their livelihood.

This new strategy can be seen in part as a tactical move ahead of the key meeting between growers and M. Christian Bonnet, the Agriculture Minister, on Wednesday at which the precise powers of a remodelled Wine Office, should the trade will be determined.

Paris, however, dare not take further measures flouting EEC rules. The 12 per cent. tax on Italian wine announced in September in defiance of Brussels caused trouble enough.

# U.K. left out of £1.2bn Statfjord oil plans

By William Dullforce

STATOIL, the Norwegian State oil company, yesterday announced plans for the development of the Statfjord field, the biggest yet discovered in the North Sea, to give a projected output of 800,000 barrels a day or about 45m. tonnes a year in 1985. The total investment is estimated at about Kr.14bn. (over £1.2bn.) but this figure covers only the production facilities.

The question of how the oil is to be conveyed from the field has been left undecided. Statoil, which has a half interest in the field, disagrees with its partners over the type of transport system to be used. They agree, however, that the oil shall not be landed by pipeline to British territory.

The State company wants to continue studies on the possibility of laying a 36-inch diameter, 220-kilometres-long pipeline across the Norwegian Trench and the rock shelf approach to the island of Sotra, close to Bergen. Mobil, the operating company, Conoco, Esso, Shell and the Saga/Amoco group would prefer to build a permanent offshore loading system supplying tankers.

The phase-two plan, presented to the Norwegian Ministry of Industry yesterday, also ignores British suggestions that one production platform should be located on the minor portion of the Statfjord structure, which extends on to British acreage. About 10 per cent. of the structure is thought to be on the British side

The new plan would add two more production platforms and one single point mooring buoy to the concrete platform and single point buoy already approved for phase one.

## Reserves

The Condeep platform being built at Stavanger and the Stord yard is scheduled to be towed into position on Statfjord next summer, enabling production to start possibly in 1977 and building up gradually to a maximum of 300,000 b/d.

The cost of phase one was originally put at Kr.3bn. (£265m.). The trebling of production under phase two is thus expected to cost a further Kr.11bn. (just under £1bn.). The second and third platforms would be installed in 1979 and 1980.

After further drilling last year estimates of the recoverable reserves in Statfjord were raised to 3.9bn. barrels of oil (520m. tonnes) and 150bn. cubic metres of gas. The associated natural gas is to be reinjected until a gas transportation system can be built at a later date

This system, according to the Statoil communique, could well be the massive North-South trunk line, on which Statoil and the Industry Ministry are now collecting data before deciding whether to go ahead with a full project study. Starting at Statfjord the trunk line would run southwards, collecting gas from other Norwegian fields and landing in Denmark, West Germany or even on the Belgian coast for a link with the French market.

Yesterday's announcement will be welcomed by Norwegian Contractors, the builders of the concrete Condeep platforms, who had announced last year that they would have to lay off 1,000 workers in 1976, unless further contracts were placed.

Statoil will have to raise Kr.7bn. (£620m.) as its share of the total investment. If it follows its present practice of keeping a 20/80 ratio between own and loan capital, it will be seeking to borrow close to £500m.

# Karamanlis dismisses two Ministers

By Our Own Correspondent

ATHENS, Jan. 5.

PREMIER Constantine Karamanlis to-day replaced two of his Ministers who had come under sharp criticism from the opposition.

An official announcement said the Premier accepted the resignations of the Minister of Public Order, Retired General Solon Ghikas, and the Minister of Education Mr. Panayotis Zeppos, submitted some time ago for personal reasons.

Mr George Stamatis, Deputy Speaker of Parliament, and Mr. George Rallis, the Assistant to the Prime Minister, were sworn in before the President of the Republic to replace them.

The changes come at a time when the security authorities of the country are under pressure in connection with the assassination in Athens last month of CIA agent Richard Welch. The three unidentified masked men who gunned down Welch on December 23 have so far escaped arrest.

## OVERSEAS NEWS

# Ford threatens Moscow with 'limited measures'

WASHINGTON, Jan. 5.

'RESIDENT FORD to-day alled for an immediate ceasere in Angola and warned the .S. may take "limited easures" to block unacceptble Soviet actions in other arts of the world.

But he ruled out cutting off rain shipments to Russia in etaliation for Soviet intervenon in Angola, saying it would e a "serious mistake" that ould increase tensions etween the two super powers.

"We favour an immediate ease-fire, an end to all outde intervention and a Govrnment of national unity, perutting the solution of the ngolan problem of the ngolans themselves," Ford id in a speech prepared for delivery to the American Farm Bureau convention in St. Louis.

"U.S.-Soviet rivalry in some areas around the world has, unfortunately, not ceased," Ford said. But instead of stopping grain sales to Russia, as he said some in Congress have suggested, the President declared, "the answer is to take other appropriate limited measures necessary to block—and stop—Soviet actions that we find unacceptable."

He did not spell out other areas of Soviet troublemaking or specify what he meant by the threat of "limited measures." He said a shut-off of grain would serve no useful purpose and would not produce an immediate gain in diplomatic leverage, and he said that the Soviets could get along without American grain.

"Our commitment to work with all nations—including the Soviet Union—to lessen the risk of war and to achieve greater stability is a sincere and constructive undertaking. But it is a commitment which must be honoured by both sides," Ford said.

"There cannot be a lessening of world tension if the Soviet Union, by military support and other means, attempts to expand its sphere of influence thousands of miles from its borders. "The U.S. will not cease its efforts, diplomatic and otherwise, to stabilise the military situation in Angola and promote a quick and peaceful settlement."

Ford said the U.S. is working closely with other African countries to bring this about—"countries that realise perhaps better than the U.S. Congress that our continued effort to counter Soviet and Cuban action is crucial to any hope of a fair solution. "The Soviet Union must realise that the Soviet attempt to take unilateral advantage of the Angolan problem is inconsistent with the basic principles of U.S.-Soviet relations," Ford said.

● Liberal Party leader Jeremy Thorpe has refused to disclose the source of a charge he has made that Moscow has paid a £25m. bribe to an unnamed African leader to support Soviet-backed forces in the Angolan civil war, the Foreign Office said to-day.

Thorpe said on Saturday Moscow paid the unnamed African leader in gold through a Swiss bank to support the Popular Movement for the Liberation of Angola (MPLA).

A spokesman said the Foreign Office contacted Thorpe during the week-end to seek further information. "But he refused to disclose his source or to say who the African leader is." In his statement on Saturday Thorpe said he planned to pass on his information to the Organisation of African Unity (OAU) summit conference scheduled to open in Addis Ababa next week-end.

UPI

### HE ANGOLAN WAR

# In the wake of the advance

BY JANE BERGEROL IN LUANDA

E CAPTURE by MPLA forces the FNLA northern political pital Carmona came after lost a year of fighting across rich coffee lands of northern gola.

t is a major victory for MPLA. FNLA the question must v be whether it can regroup fighting forces closer to the thern Zaire border and make comeback when all three of main bases—Carmona, gage and Ambriz—are in the ds of the Soviet-backed LA. Ambriz was the first to evacuated, more than a nth ago, though MPLA has n slow to take over the port , because of difficulties with lging the Rivers Dande and ine. The main bridges were troyed in the fighting.

ssuming MPLA is capable of ding on to its new conquests, most urgent task it faces is nging life back to the north, aged by constant fighting, and nomically in a disastrous e following the exodus of white planters and southern rant coffee workers.

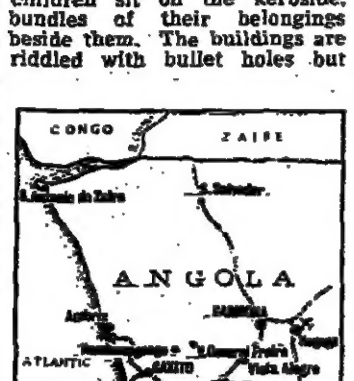
ast Wednesday, in a group ournalists, I accompanied the ne Minister, Sr. Lopo de cimento, on a journey north MPLA territory as far as baxe. The scale of the blems facing the MPLA is nting.

n the northern edge of nda already one can see the signs of war. Factories are rted on the big Luanda inrial estate. Industry is pers running at 20 per cent. of icity. As we wait for our voy to assemble on a warm, sunny afternoon, trucks of FAPLA (the MPLA army) troops roar past cheering and waving, with their Soviet-built 122 mm. rockets bouncing along in tow. "There goes more cannon fodder," an Angolan journalist says quietly. We move on down to the Kifangondo water pumping station and across the makeshift mud dyke bridging the river. FNLA had got as close as this to Luanda on the night before independence—at one point an advance spearhead was within 15 kms. of the capital. Now they are over 100 miles north. Obligingly they left behind a beautiful Bailey Bridge at Porto Quipiri, across the swollen Dande River, long the main obstacle to the MPLA's advance northwards, and like the Lifune River blocking the route to Ambriz.

A minor welding repair job is under way on the bridge. The Prime Minister chats to some soldiers chewing sugar cane—the sugar refinery at Caxito is another war casualty to be nursed back to life as soon as possible.

Caxito itself is creaking slowly back to life. The most fought over town in the war, it is at a vital crossroads: southwards leads the road to the capital, northwest the long haul up to Ambriz, FNLA's former military headquarters, northeast the road to Carmona, the "coffee road" bordered by mile upon mile of impeccable coffee plantations which before oil was discovered in Cabinda provided Angola's main source of foreign exchange.

Until a fortnight ago Caxito was deserted, the people had fled into the bush or down to Luanda. Now a few men stand about watching FAPLA sentries in the main barracks. Women and children sit on the kerbside, bundles of their belongings beside them. The buildings are riddled with bullet holes but




there is not much sign of artillery fire. No building is intact—windows and doors broken open by looters. Nothing remains of the prosperous little town and its bustling shops. A little further on a woman kindles a wood fire and the column of smoke is a reminder that normally at this dusk hour dozens of such fires would be smoking, heating the evening meal.

The town of Quibaxe has changed hands several times. The FNLA was defeated there at the beginning of November. The townspeople are coming back in again. But there is an acute food shortage: the crops were never planted in October, the fighting stopped that. Now the people are back in the fields but it will be three months or more before the new harvest. Those who fled into the bush are returning weak and undernourished, the children with the telltale red hair of vitamin deficiencies. In the local hospital, there is barely enough medicine for the wounded, nothing like enough to treat the civilian population adequately. The one doctor urgently needs anaesthetic equipment. As FNLA retreat they are planting mines, and he is now having to deal with amputations for both military and civilian mine victims. One white shopkeeper in Quibaxe stayed on—to become an MPLA commander. He knows the area well and its dozens of trackroads leading through the plantations.

The farms we visit are deserted. Like small fortresses, they sport fortified towers, with slits for gun emplacements, everywhere enclosed by high barbed wire and lit by strong arc lights. This region was the first to be attacked by the nationalists in the 1960s and the planters took self-defence seriously. To-day, the plantations lie under the rains, the more fortunate bare of coffee, harvested somehow among the fighting and taken to Luanda. Less fortunate plantations have coffee still on the bush; that means no flowering this year, and therefore no new crop. The Prime Minister talks to local MPLA committees and to the few remaining plantation workers where we go—almost the entire labour force on these plantations came from the south around Huambo. MPLA say the FNLA expelled these Ovimbundu workers last spring to make room for their own men exiled in Zaire. But the Zaire refugees never got to work in the Ovimbundu's place. Clearly more labour must be brought up here to get the plantations working again.

In the villages, the people huddle under the thin, cold rain to listen to the Prime Minister "We must get you more guns so that you can defend yourselves." "Yes, they may come back," an old man says. There is only a rudimentary administration in the area. The MPLA's political cadres have been blown hither and thither by the war, the scanty colonial administration has vanished. The soldiers are too busy with the war to worry about problems of reconstruction.

One of the electrical generators from Banza has been in Luanda for repairs for over a year. "No one had 8,000 escudos (about £130) to pay for it..." The Prime Minister promises the money if the village can help find an electrician to do the job. "What about the chicken problem?" the Prime Minister asks. "FNLA killed them all—we haven't any left."

Further north, as the front advances, there will be more of the same problems. Thousands of mouths to feed, deserted fields and plantations, people weak from living months in the bush, fleeing from the fighting. There are 60,000 in the Quibaxe area alone.

# Thai regime threatened by mass strikes

Our Asia Correspondent

IKING trade unionists in iland yesterday threatened ut off electricity, water and er supplies if the Governt persisted with plans to rice prices. Opposition ies also stepped up their sure on the seven-party tion and some observers that Mr. Kukrit Pramoj, the ne Minister, was contemplat resignation.

ne crisis is the most serious Mr. Kukrit has faced since ocracy was restored to land last March. The ernment and the unions have n such public and opposed ions that it will be difficult each any agreement without side being seen to have bed down.

a New Year's Day broadcast Kukrit explained that the in the rice price was the way of improving the living itions of the farmers. In middle of January the rnment's stamps scheme to poor people to buy rice at prices would come into t, so the worst hardships d be avoided.

t the unions persisted, went trike and yesterday called ss rally to protest against plans. The Government has it will declare a state of gency if the situation iorates.

# Lebanon crisis compounded by constitutional wrangle

BY IHSAN HIJAZI

BEIRUT, Jan. 5.

LEBANON, already torn by national strife and intercommunal fighting, is now faced with a Constitutional problem which, if not settled soon, could set the stage for partition.

It involves the imminent end of the term of Parliament and the forthcoming elections. The four-year period of the present 99-member unicameral Parliament is due to expire next month, and elections were scheduled for March or April. Because of the crisis and unresolved conflict on changing the electoral formula, holding general elections is not possible. If elections are not held and the term of the present House not extended, a Constitutional crisis would follow.

Without legislature, the executive branch government would not be able to function and, observers warn, the institutions of the State would collapse which would plunge Lebanon into complete disintegration. Should this happen, observers said, partition may follow with political factions and chieftains running the areas which are already under their military control.

The Christians have insisted that the present formula which gave them six Parliamentary seats to the Moslems' five should be maintained, while the Moslems have asked for a new election system under which Moslems and Christians would equally share legislative seats.

The leftists still want complete elimination of confessional distribution of seats and have suggested proportional representation whereby one deputy will be elected for 10,000 people.

The idea of extending the mandate of the present House for one year has been voiced. Some said this would not only ensure the continuation of legislative legality until the end of the six-year term of President Suleiman Franjieh, next September, but would also enable the House to elect Franjieh's successor.

Certain leftist and Moslem leaders have reportedly said they would agree to the extension of the Parliamentary mandate if Franjieh would step down now and allow the election of a new president.

A worried Parliament speaker, Kamal Al Assad, is planning extensive contacts this week on the status of the Parliament and elections, including meeting the President and Premier Rashid Karami.

The political impasse coincided with more tension arising from recurrence of kidnappings and counter-kidnappings. Leftist and commando ssources have warned that the present truce could very well collapse if Rightist militiamen continue to stop food supplies from reaching the Palestinian refugee camp in the suburbs of Tal Zaatar. Yesterday, these militiamen stopped four trucks carrying flour from reaching the camp. The matter was taken so seriously by the commandos that guerilla leader Yassir Arafat is personally handling the matter.

● Reuter adds: The American University of Beirut to-day resumed classes after a three-month break, providing a psychological boost to a city laid low by civil war.

The 110-year-old American University, governed under a charter from the State of New York, has been disrupted by the heavy fighting in Beirut in recent months, which compounded its acute money problems.

Reuter

# Fahmi calls for Geneva resumption

BY MICHAEL TINGAY

CAIRO, Jan. 5.

MR. ISMAIL FAHMI, Egyptian Foreign Minister and Deputy Prime Minister, to-day hit out at intransigence "by other Arab quarters," and called for a resumption of the Geneva peace conference in the first half of 1976 warning that Egypt would not accept a stalemate situation.

Without naming the offending Arab quarters, Mr. Fahmi, who was addressing the Arab affairs, foreign relations and national defence committees of the People's Assembly, said that the climate was right for a resumption of the Geneva conference with the PLO on an equal footing with other participants. One week before the UN Security Council debate on the Middle East with full PLO participation, the statement follows yesterday's call by Israel for a resumption of the Geneva conference with the exclusion of the PLO.

Observers presumed that the warning against "intransigence and hesitation" was aimed at Syria and Jordan whose relations have been closer since the September signing of the Egyptian agreement with Israel and both of which have criticised the Sinai accord. Well informed circles here predict that Egypt may soon start criticising King Hussein of Jordan. So far Egyptian attacks have been directed mainly against Syria.

Mr. Fahmi outlined Egyptian political strategy for 1976 as maintaining momentum until "land is liberated and rights recovered." Intensive contacts were being made with both the U.S. and the Soviet Union to this end. On relations with the Soviet Union, which have been strained to near breaking point over questions of Soviet refusal to rearm Egypt or reschedule its debts (lately put at $5bn. for military and civil debts), Mr. Fahmi told the committees that an objective dialogue was welcomed with the Soviet Union within the letter and spirit of the treaty of friendship of 1971.

Condemning ideas of Lebanese partition the Foreign Minister warned other states against interference in Lebanon and called for the preservation of Lebanon's national unity and territorial integrity.

While Egypt has been steadfastedly avoiding getting drawn in any way into the Lebanese conflict, having flately rejected a recent call by Lebanon's Maximus V, Patriarch of Antioch and All the East, for Egyptian involvement in the Lebanon crisis, Mr. Fahmi indicated that President Sadat was willing to mediate in the Algerian-Moroccan dispute over the former Spanish Sahara.

# Fraser warns difficult road ahead

Kenneth Randall

CANBERRA, Jan. 5.

IS first major speech since g office, the Prime Minister, Malcolm Fraser, warned that cult and hard decisions" l have to be made by his administration. "Let us not nd," he said, "that alia does not face nous and difficult economic ems, or that these problems be solved without hard ions."

Fraser, addressing the nal convention of the g Liberal Party, said that rces would have to be made ible to enable the private r to start expanding job tunities. "But," he added, ntial programmes in educahealth, welfare and urban es will be maintained."

e Prime Minister said the pted reforms by the Labor Government over the past years had failed for lack of ive decision-making process and failure to maintain r standards of conduct in rnment.

# Africa slumps into $2.5bn. deficit

BY OUR OWN CORRESPONDENT

ADDIS ABABA, Jan. 5.

AFRICA plunged into a balance of payments deficit of $2.5bn. during the past 12 months, having begun 1975 with a surplus of $11.5bn.

This was said here to-day by Mr. Adebayo Adedeji, executive secretary of the Economic Commission for Africa (ECA), who attributed this to the world recession in trade, higher oil prices and the increased cost of industrial goods from the developed world. Furthermore, Africa's position had been made worse simply because the continent contained 17 of the world's least developed countries, he said.

Mr. Adedeji was, however, generally optimistic about Africa's economic prospects for 1976—although he added that this optimism was based on the smooth functioning of the "world economic order" during the year. He also called for more co-operation among African countries, and he was critical of some African Governments for what he called their "indecision" in economic matters.

## IN BRIEF

### South Africa TV launched

South Africa officially joined the television age last night with its first full nationwide broadcasts to an estimated 1m. viewers. The State-supported South Africa Broadcasting Corporation's scheduled switch-on marked the end of more than a decade of controversy over the merits and dangers of television.

However, most of the country's 18m. Africans in urban townships and the rural homelands or reserves have no electricity in their homes even if they could afford a television set. The most popular colour model, costs about $1,000, financially out of reach of the nation's black majority. The service is bilingual with half the viewing time devoted to English programmes and the other half Afrikaans.

### Police jailed in Hong Kong

Two British police superintendents charged with corruption were given jail terms totalling more than eight years by a Hong Kong district court. Superintendents Cecil James Conningham from Derbyshire and Benno Thompson from Winchester had illegally transferred more than £104,000 into their U.K. bank accounts from earnings of a criminal syndicate.

### British officers 'shot down'

The Popular Front for the Liberation of Oman yesterday said it had shot down a helicopter carrying British army officers, east of Dhofar, on Christmas Day. "Enemy forces" the Front claimed, dropped paratroopers close to the wreckage and combed the area looking for the officers, all of whom were wounded. The statement, however, did not give the nationality of the plane or the fate of the wounded officers.

### Israeli GNP down in 1975

Israel's Gross National Product declined by one to two per cent. in real terms during 1975, as compared with 1974, according to preliminary figures compiled by the Israeli central bureau of statistics in Jerusalem. The rate of decline was the same in the civilian and public sector. The drop compares with increases, at fixed prices, of five per cent. each in both 1973 and 1974.

### Ethiopia land reform

In a radical reform aimed at developing peasant agriculture, the Ethiopian Government repealed all former land taxations systems and introduced sweeping new measures covering land use fees and the taxation of incomes derived from agriculture. Now peasant farmers are themselves empowered to collect land use fees and taxes on incomes of up to $US600 a year through the farmers' associations which were set up last year.



## BOND DRAWING

CHILEAN 5% LOAN OF 1911 for £4,905,000 nominal capital

Notice is hereby given that a Drawing of Bonds of the above loan took place on 19th December, 1975, attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when the following bonds were drawn for redemption at par on 15th January, 1976, from which date all interest thereon will cease.

5 Bonds of £1,000 nominal capital each:—
Numbers

| | | |
|---|---|---|
| 90214 | 90456 | 90540 |

5 Bonds of £500 nominal capital each:—
Numbers

| | | | | |
|---|---|---|---|---|
| 85190 | 85353 | 85499 | 85854 | 86216 |

142 Bonds of £100 nominal capital each:—Numbers

| | | | | |
|---|---|---|---|---|
| 60205 | 60317 | 60508 | 60671 | 61017 |
| 61110 | 61115 | 61256 | 61373 | 61687 |
| 61787 | 62120 | 62430 | 62517 | 62671 |
| 62072 | 62769 | 63076 | 63160 | 63364 |
| 63482 | 63874 | 64115 | 64307 | 64523 |
| 64749 | 65103 | 65104 | 65148 | 65276 |
| 65663 | 65801 | 65954 | 66108 | 66495 |
| 66599 | 66712 | 67545 | 67648 | 67873 |
| 68051 | 68306 | 68574 | 68805 | 69141 |
| 69453 | 69589 | 69843 | 69944 | 70084 |
| 70361 | 70406 | 70465 | 70716 | 70847 |
| 71011 | 71233 | 71341 | 71503 | 71674 |
| 71830 | 71928 | 72080 | 72374 | 73072 |
| 73211 | 73262 | 73306 | 73385 | 73584 |
| 73708 | 73744 | 73784 | 73835 | 73850 |
| 73971 | 74130 | 74474 | 74759 | 74938 |
| 75112 | 75390 | 75761 | 75882 | 76239 |
| 76378 | 76752 | 76896 | 77034 | 77178 |
| 77498 | 77675 | 77766 | 77988 | 78192 |
| 78316 | 78498 | 78774 | 78775 | 78853 |
| 78950 | 78987 | 79203 | 79846 | 79876 |
| 80044 | 80099 | 80258 | 80350 | 80611 |
| 80709 | 80710 | 80891 | 80926 | 80996 |
| 81101 | 81210 | 81234 | 81513 | 81558 |
| 81581 | 81589 | 81670 | 81850 | 81873 |
| 81974 | 82127 | 82141 | 82306 | 82418 |
| 82440 | 82473 | 82534 | 82587 | 82701 |
| 83245 | 83304 | 83318 | 83452 | 83601 |
| 83760 | 84142 | | | |

434 Bonds of £20 nominal capital each:—
Numbers

| | | | | |
|---|---|---|---|---|
| 139 | 207 | 328 | 392 | 524 |
| 1149 | 1297 | 1353 | 1423 | 1454 |
| 1477 | 1504 | 1516 | 1517 | 1532 |
| 1554 | 1563 | 1647 | 1729 | 1761 |
| 2195 | 2290 | 2452 | 2543 | 2693 |
| 2890 | 2934 | 3229 | 3533 | 3676 |
| 4224 | 4331 | 4423 | 4749 | 4844 |
| 4981 | 5293 | 5464 | 5632 | 5853 |
| 5879 | 6062 | 6105 | 6209 | 7292 |
| 7567 | 7626 | 7669 | 7696 | 7697 |
| 7735 | 7781 | 7895 | 7976 | 8020 |
| 8028 | 8404 | 8535 | 8629 | 8637 |
| 8694 | 8695 | 8869 | 9213 | 9623 |
| 9655 | 9967 | 10288 | 10441 | 10523 |
| 10691 | 10732 | 10901 | 10980 | 11568 |
| 11664 | 11697 | 11846 | 12488 | 13017 |
| 13108 | 13369 | 13771 | 13916 | 14075 |
| 14122 | 14277 | 14414 | 14504 | 14611 |
| 14747 | 14793 | 14859 | 15386 | 15713 |
| 15892 | 15893 | 15915 | 15927 | 16040 |
| 16287 | 16288 | 16376 | 16408 | 16410 |
| 16419 | 16481 | 16588 | 16695 | 16758 |
| 16764 | 17532 | 18058 | 18411 | 18568 |
| 19068 | 19103 | 19442 | 19519 | 19748 |
| 19910 | 20074 | 20251 | 20396 | 20500 |
| 20800 | 20907 | 21096 | 21441 | 22143 |
| 22178 | 22255 | 22281 | 22319 | 22416 |
| 22435 | 22466 | 22709 | 22770 | 22812 |
| 22864 | 22956 | 23009 | 23076 | 23185 |
| 23805 | 24024 | 24274 | 24309 | 24328 |
| 24329 | 24550 | 24657 | 24854 | 24966 |
| 24976 | 24995 | 25009 | 25125 | 25138 |
| 25193 | 25252 | 25275 | 25284 | 25326 |
| 25327 | 25346 | 25408 | 25423 | 25450 |
| 25491 | 25543 | 25544 | 25592 | 25601 |
| 25609 | 25611 | 25619 | 25635 | 25650 |
| 25658 | 25674 | 25683 | 25687 | 25735 |
| 25746 | 25801 | 25836 | 25879 | 25923 |
| 25982 | 26004 | 26023 | 26100 | 26146 |
| 26147 | 26258 | 26606 | 26785 | 27175 |
| 27283 | 27623 | 27717 | 27743 | 27913 |
| 28001 | 28192 | 28193 | 28495 | 28794 |
| 28799 | 28823 | 28970 | 29029 | 29294 |
| 29337 | 29356 | 29390 | 29440 | 29472 |
| 29502 | 30275 | 30769 | 30865 | 30890 |
| 30982 | 31080 | 31108 | 31289 | 31512 |
| 31649 | 31941 | 32790 | 32845 | 32864 |
| 32978 | 33034 | 33383 | 33539 | 33712 |
| 33871 | 33914 | 34185 | 34502 | 34628 |
| 34768 | 34893 | 35001 | 35016 | 35218 |
| 35735 | 35264 | 35390 | 35554 | 35640 |
| 36375 | [illegible] | [illegible] | [illegible] | [illegible] |
| 35672 | 35939 | 35941 | 36206 | 36360 |
| 37711 | 37402 | 37530 | 37706 | 37950 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

584 Bonds amounting to £29,300 nominal capital

Witness: K. F. C. BAKER, Notary Public. [illegible]

6th January, 1976.

HOME NEWS

# Labour critics spell out their Assembly demands

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE GOVERNMENT appears to be facing an unexpectedly tough battle in persuading the Scottish Council of the Labour Party to swallow the devolution medicine it has prescribed in its plans for a Scottish Assembly.

The agenda for the March annual Scottish conference, published yesterday, contains trenchant criticism of the November White Paper. Some major unions and several constituency parties have combined to demand the transfer of strong additional economic and industrial powers to the assembly.

The degree of opposition to the Government's proposals indicates that there may have been a substantial shift of opinion among Labour Party activists since last year's Scottish conference narrowly rejected a proposal to transfer economic and industrial powers from Westminster.

The nature of the coming fight was dramatised yesterday by the fact that Mr. William Ross, Secretary for Scotland, launched a stout and unyielding defence of the Government's assembly plans. Addressing local government officers in Glasgow, he argued that the devolution scheme was what the vast majority of Scottish people wanted—"positive, imaginative and far-reaching."

Seven of the 20 resolutions lodged for debate on the assembly issue want what Berwick and East Lothian constituency describes as "fully devolved powers over trade and industry." A minimum requirement in all of them is that the recently-launched Scottish Development Agency should be wholly answerable to the assembly, thus removing it from the Secretary of State's responsibilities.

Central Ayrshire's motion is particularly harsh, describing the White Paper as "an insult to the political judgment of the Scottish people." Among the unions seeking to give the assembly an industrial policy remit are the NUM, the Transport and General Workers, and the technical and supervisory section of the Engineering Workers.

## Key factors

In many cases, too, resolutions demand the establishment of the assembly by 1977, a deadline which the Government has said it is no longer possible to meet.

Five resolutions are identifiably in favour of the White Paper, with the main trade union support coming from the General and Municipal Workers. Two further resolutions call for a referendum on the question of Scottish independence, with one from Paisley suggesting that there has been insufficient "serious investigation" of devolution.

Last year the Scottish conference voted 353,000 to 341,000 in favour of retaining economic and industrial powers at Westminster. A key factor in the voting this year may be the attitude of the engineering workers' delegation. Despite the AUEW (TASS) section's line, there have been recent strong indications that the policy of the union leadership in Scotland may be swinging behind the Government's proposals.

Labour Party managers in Scotland still appear to believe that last year's decision will be endorsed. The Scottish executive is preparing to submit a memorandum of its views to the Secretary of State by mid-February, and this will form the basis of its statement to the annual conference.

Meanwhile, the Scottish Conservatives issued their reactions to the White Paper, yesterday. Their spokesman, Mr. Malcolm Rifkind, MP for Edinburgh Pentlands, said that the Government would have been more honest to stress at the outset that the requirements of national unity would enly enable modest devolution

Trevor Humphries

Mr. John Read, chairman of EMI, with a model which went on public exhibition yesterday of the proposed new headquarters development for EMI in Tottenham Court Road, London. One of central London's largest schemes, the total development area is 461,000 sq. ft., including 155,000 sq. ft. of residential units. Detailed planning approval is being sought from the Camden, Westminster and Greater London Councils. If granted, building could start in early 1977 with a projected cost of over £20m.

# Employers planning fewer cuts in staff

By Roy Levine

EMPLOYEES can be more confident of holding onto their jobs than at any time during the past year, according to Manpower, the services group which surveyed senior executives in 3,342 companies about their employment intentions.

Three out of every four employers forecast no changes in their workforce—the highest "no change" figure ever recorded by Manpower. Only 11.8 per cent. expected to cut back on staff, which is a marginal drop on 1975.

Manpower reports that staffing levels are relatively stable in the primary industries (except textiles) and more companies employing skilled and technical staff are holding onto their labour.

At the same time, however, opportunities for new employment have hit their lowest level for nine years, with only one in 10 employers now expecting to take on new staff.

"Public spending cuts again appear to be affecting employment prospects in local government and public building, where substantial staff reductions through natural wastage are forseen and only minimal recruitment.

"The best employment prospects for the quarter are in clothing manufacture, hotels and heavy engineering sectors. The worst hit are building and local government."

# Falling sales escape clause likely for price rise curb plan

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE DEPARTMENT of Prices appears to have accepted industry's arguments that no firm promise can be given on future price increases without some escape clause to cover the consequences of falling sales.

In its early discussion on the proposed plan to keep price rises on certain items to under 5 per cent. between February and July 31 of this year, the Department acknowledged the need for an escape clause to cover unexpected rises in raw material costs. But since then industry has argued that a sudden fall in demand could undermine pricing projections almost as severely as an unexpected increase in costs.

For this reason, the Department of Prices' latest letter to trade associations outlines a scheme whereby manufacturers would be free to withdraw from the package if there was a significant fall in demand or where there would be a severe reduction in margins if they kept to the undertaking.

The original idea of an escape clause for companies faced by unexpected rises in raw material costs also remains, while it is understood that similar safety nets to protect the retail trade are also being discussed.

Though the package is meant to come into effect on February 1, no firm decisions as to its composition have yet been reached. The latest tentative list of products to be circulated includes only seven foods—milk, standard bread, frozen peas, some biscuits, sweets and confectionery and packet tea—together with some 40 other product categories including beer, cigarettes and tobacco, petrol, heating oil, sanitary protection, carpets and some household textiles.

The indications are that many of the products which will eventually end up in the price restraint package will be those which, in any case, would not have gone up by more than 5 per cent. during the six-month period.

## Smaller

The original idea, whereby manufacturers would be allowed to load cost increases on to products outside the scheme, appears to have proved difficult to sell to manufacturers and though there will be an element of cross-subsidisation in the eventual package, it will be far smaller than originally envisaged.

One of the biggest difficulties the Government has had in persuading trade associations to give undertakings on future prices has been the uncertainty surrounding the prices of the nationalised industries.

Several associations have pointed out that they cannot make any firm projections on prices without knowing whether the nationalised industries are to keep to the 5 per cent. limit. Originally the Government had hoped to include some nationalised industry charges in the scheme, but it is understood that only limited progress has been made in this area.

# Kearton emphasises BNOC's partnership role on oil

BY RHYS DAVID

STRONG EMPHASIS on the partnership role which the British National Oil Corporation hopes to play in its relations with the oil companies was placed yesterday by Lord Kearton, the chairman, in his first public speech since the BNOC began operations at the start of the year.

Lord Kearton, speaking against a background of concern within the oil industry over the possible scope of the BNOC's activities, and particularly the Government's intention that it should negotiate participation in existing fields, said the State company would be bound initially to adopt the position of "apprentice."

The negotiations carried out by the Government for participation in oil fields found under existing licences would be voluntary, and licenses accepting participation would be no worse off—or better off—as a result.

Great store was being put by the Government on the concept of partnership within the arrangements and this meant in particular recognition of the enormous expertise possessed by the big international oil companies.

The BNOC would be able to enter the full range of oil activities and become a full integrated oil company.

Lord Kearton, who was addressing the Coal Industry Society in London, said participation was directed initially towards obtaining access for BNOC to crude oil. The corporation wanted to be represented on all the operating committees responsible for individual North Sea field development.

Through option arrangements the BNOC would be able to buy at market price its participation fraction of the crude oil being produced. This would probably be over a phased period with adequate notice.

"The result would be to give the Government through the BNOC the certainty of an effective say in the disposition of North Sea oil, particularly from 1980 on. By this time the partnerships between BNOC and the existing licensees should be cemented and the necessity or need for BNOC to exercise its options should seldom arise."

The Government wanted to strengthen its position within North Sea oil development in the fifth round of block licensing due early this year. Within the present pattern of concessions about 60 per cent. of established North Sea oil reserves would accrue to foreign-based oil companies and of the 40 per cent. balance, half or more would be brought ashore by British companies.

# Insurers could face record storm claims

BY ERIC SHORT

THE WEEK-END storms and floods, which left a trail of devastation along the East Coast, could prove to be the most expensive U.K. storm claim for British insurance. Some spokesmen within the industry put the cost as tens of millions of pounds, well in excess of the £12m. cost of the 1968 floods in South East England. The British Insurance Association is not prepared to make an estimate, but has asked its members to submit figures as soon as possible.

The BIA points out that the great majority of household insurance policies cover the damage caused to houses, garages and outbuildings by the storms. Those affected should not delay in contacting their builders to make temporary repairs to prevent further damage and make the buildings weatherproof as far as possible. They should also inform their insurance company, broker or agent of the pending claim.

Cars damaged by falling masonry or trees are normally covered under the motorists' comprehensive policy and car owners so affected should claim on their policies. The BIA says that under normal household insurance windstorm damage to gates, hedges and fences is not covered and it advises people to check with their insurance company or agent.

Insurance companies are drafting extra staff into the worst-hit areas to ensure that all claims are dealt with speedily and efficiently. The Norwich Union Insurance has distributed hundreds of claims forms to policyholders whose property has been affected.

A warning was given by the BIA to policyholders that their claims may not be paid in full because of underinsurance. A recent survey showed that almost all owner-occupiers insured their buildings but only 80 per cent. insured the contents. In rented accommodation only 60 per cent. of persons insured contents. As many as 30 per cent. of these householders could be seriously underinsured.

This warning that claims might not be paid in full was made much more strongly by Mr. Colin Lewis, a senior manager with Legal and General Assurance Society, one of the leading companies in private householders' insurance. He pointed out that insurance companies were not obliged to pay on claims that were under-insured and that many companies scaled down their pay-out in proportion to the amount of under-insurance.

However, a survey of the leading insurers discloses that they do not apply this scaling-down principle. The Commercial Union, Royal Insurance, General Accident, Sun Alliance and London, Guardian Royal Exchange and the Legal and General pay out claims in full up to the amount of the sum insured on the policy.

# Weighell warns on rail cuts

By Peter Cartwright, Midlands Correspondent

DISCUSSIONS with union leaders about the Government's consultative document on rail and road transport policy are expected to begin at the end of the month or in early February.

Disclosing this yesterday in Birmingham, Mr. Sidney Weighell, general secretary of the National Union of Railwaymen, reiterated the warning that the existing 11,500 miles of track represented a bare minimum, and that if there were to be financial cuts the network must not be reduced.

The future for the railways demanded "a sensible investment programme" to ensure efficiency. But if investment was to be cut to £235m. over the next five years, as seemed planned, that would be 40 per cent. below what had been estimated in 1973 as necessary to operate a railway system reasonably efficiently.

"The consequences of cutting back by 40 per cent. would be disastrous to industry," Mr. Weighell said.

He was in Birmingham for the start of work on a new railway station, one of four to serve an upgraded service on the south-west side of the city between Longbridge and Four Oaks. The cost is estimated at £6.4m.

The West Midlands is the only region in the country attracting people back on to trains and buses in significant numbers, and has recenly introduced dial-a-bus door-to-door services.

It was this expansionary policy that persuaded Mr. Weighell to come to Birmingham which, he said, provided a model of what could be done for the rest of the country.

# Home Office rejects Powell's statistics

BY JOHN BOURNE, LOBBY EDITOR

THE HOME OFFICE last night dismissed Mr. Enoch Powell's latest conclusions about Commonwealth immigration figures as "meaningless." It accused him of using for the most part a statistic—the net embarkations of immigrants at London Airport — which actually bore no relation to the number of immigrants who settled in Britain.

The "net embarkations," a Home Office spokesman said, contained temporary visitors, including students and businessmen, who had returned to their own countries. The Home Office's own corrected figure of net embarkations for 1973 (86,000) must be contrasted with the figures of immigrants who actually settled here in that year, either on arrival or after their temporary permissions to stay were about to run out. This figure totalled only 30,945.

Similarly, the "net embarkation" statistics quoted by Mr. Powell for 1974 (90,000) contrasted with the Home Office "settlement" figure of 42,531.

Mr. Powell, now Ulster Unionist MP for South Down, gave his calculations last night when he returned to the theme of the dangers of mounting immigration of coloured Commonwealth citizens, which had led to his dismissal from the Conservative "shadow" cabinet by Mr. Edward Heath in 1968. It was this dismissal which began the political process which ended in Mr. Powell leaving the Conservative Party.

Speaking in Egham, he repeated his 1968 warning that watching the flow of immigrants into Britain was like "watching a nation busily engaged in heaping up its own funeral pyre." He added: "What never occurred to me, even in my gloomiest foreboding, was that eight years later we should still be heaping that pyre, not just at the same rate but twice as fast."

In 1969, said Mr. Powell, the net intake from the New Commonwealth was 43,000; in 1974 it was 90,000; and last year it would have been higher still, for in the first three quarters alone it exceeded 75,000.

## Startling

"Do not imagine that 1974 and 1975 were fluke years. The correct figure for 1973 was already 86,000. I say 'the correct figure' because the original Home Office returns showed a net intake of only 17,000, apparently the lowest figure for many years. . . .

"On November 7 last year, however, there quietly appeared in Hansard a written answer admitting there had been a clerical error, due to double-counting of embarkations at London Airport, and that the true figure was 86,000—a startling confession."

# Landlords giving notice must tell tenants their rights

FINANCIAL TIMES REPORTER

LANDLORDS in the private sector will from March 31 have to advise tenants of their legal rights in writing when serving them with a notice to quit.

Regulations laid before Parliament to-day apply both to protected tenancies under the Rent Acts, 1968—as amended in 1974 —and to contracts to which part six of the 1968 legislation applies.

The Department of the Environment says that failure to include such information will make the notice to quit invalid and the tenancy will not be terminated until a valid notice is served.

The notice to quit will have to inform the tenant that, even after it has run out, the landlord must get an order for possession from the court before lawful eviction can take place.

Rights for protected and unprotected tenants must also be spelt out by the landlord and if the tenant does not know in which category he is, he must be advised to get help from a solicitor, for which financial assistance might be available.

A spokesman for the Department said that the regulations were intended to ensure that tenants under threat of eviction were aware of their basic rights under the law.

● AN increase in the general level of the housing cost yardstick has been announced by the Department.

The rise follows the second of the regular quarterly reviews instroduced in June, 1975, when the general levels were brought up-to-date.

The yardstick system was introduced in 1967 and sets the maximum building cost for housing subsidies payable to local authorities and other public bodies.

As a result of the new adjustment, the yardstick now stands 3.5 per cent. over the June level, a figure which includes the 2 per cent. increase made at the time of the first quarterly review in September.

# Lifeguard Board meets on inquiry call to-day

BY ERIC SHORT

THE BOARD of Lifeguard Assurance meets to-day to consider requests made in a letter sent last week by Mr. David L. Jackson, chairman of the Policyholders' Protection Committee, originally formed to look after the interests of policyholders in the failed Nation Life Insurance.

In the letter, Mr. Jackson called for an independent inquiry to discover the reasons for Lifeguard being forced to stop taking new business. It also demanded that policyholders should be advised of the present situation and told the findings of any independent inquiry.

The Board expects to make a statement after its meeting, which, it is understood, will also discuss the position on the transfer of "topping up" mortgages held by policyholders. It was reported last week that the company had refused to transfer such a mortgage to a new property and had demanded a penalty charge when the policyholder sought repayment.

# Mobil Oil buys £6m. office stake

By Our Property Correspondent

MOBIL OIL is paying £6m. for a half share in a London office development which it will lease to house its European service company and North Sea administrative staff.

London Life Association, Britain's second oldest mutual life assurance company, developed the 90,000 square feet of offices at Clements Inn off the Strand. The rent will be around £850,000 a year on a 20-year lease with five year rent reviews.

Mobil will, in effect, pay only half this rent, having also obtained half the equity of the freehold. It bought this share "as an appropriate investment to protect us against further inflation of London rents." It is understood that Mobil will sub-lease a third of the space.

The development was only recently completed and Mobil hope to move in 400 staff by October. It has several other offices in London and among those retained will be the Mobil Oil U.K. headquarters in Victoria Street.

Clements Inn will house the European marketing and refining headquarters staff and the largest group will be concerned with production from the North Sea Beryl Field, due to start this year.

The rent, at just under £10 per square foot was described as "very satisfactory" by Mr. Derek Brightwell, surveyor of the London Life Association.

Other property developers will be relieved that a large unit has been let fairly quickly and that the yield at which Mobil was prepared to buy its half share was under 7 per cent.

However, the fall in Central London rentals is indicated by another U.S. multinational, Chemical Bank, having agreed over £3 per square foot more last year when leasing part of the Arundel Great Court development nearby.

# World air passenger traffic up by only 3%

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WORLD AIR passenger traffic last year rose by only 3 per cent., to reach 529m., according to preliminary estimates prepared by the International Civil Aviation Organisation.

Freight remained unchanged, and mail traffic declined slightly, so that the overall volume of all air transport activity showed a net gain of only 2 per cent. over 1974, reflecting the continued recession in many parts of the world.

The 131-member ICAO (which now includes the Soviet Union) said in a year-end review that the 1975 gain compared with the increase of 6 per cent. in world air transport activity during 1974.

While a much smaller gain in passenger traffic was expected, because of continued steep rises in fares, the zero growth in the freight market is especially disturbing.

Historically, freight has been the major expansion area of world air transport in recent years, with growth rates of over 20 per cent. a year in the mid-1960s and even in excess of 10 per cent. a year in the early 1970s.

The extent to which this traffic has now fallen off is a much more accurate reflection of the state of the world business situation than the slower growth rate in the passenger market.

# Steel worker's knee injury claim rejected

Dismissing a man's claim for damages against his employers in the High Court at Leeds yesterday, Judge Henry Scott, QC, said: "There is far too much wet nursing going on."

*He gave judgment, with costs,* for the British Steel Corporation who had been sued by Mr. John Henderson, of Marske-by-Sea, Yorks.

The judge said that on August 15, 1971, Mr. Henderson, instead of going the normal way to his job at the Cleveland Work, Teesside, took an awkward route and wrenched a knee.

"It is suggested that the employers should have put up a notice saying: 'Don't go through here, it's being demolished' and roped the area off. That's taking the duty of an employer to quite ridiculous lengths," said the judge.

# Mrs. Castle flies to sell hospital equipment

MRS. BARBARA CASTLE, the Social Services Secretary, flies to the Middle East to-day to launch an export drive to sell *British hospital* designs and equipment.

The ten-day trip, until January 16, includes Saudi Arabia, Kuwait and Iran, where Mrs. Castle will meet the Health and Social Affairs Ministers.

The talks are to find what role can be played by the Department of Health, exporters of medical equipment, and British contractors and consultants in developing the health programmes in the oil-rich States, the Department said yesterday.

It will issue a circular to regional health authorities asking them for every assistance in staff training and other matters to help this export drive.

With Arab countries eager to expand their health care systems, and British firms in the hospital field short of contracts after cuts and delays in the hospital-building programme, Mrs. Castle's trip, it is hoped, will help fill the gaps and provide foreign currency.

# Mrs. Thatcher pins hope on jobless levels

BY OUR LOBBY EDITOR

MRS. MARGARET THATCHER, the Conservative leader, yesterday pinned her hopes of a General Election victory partly on the record unemployment levels reached under a Labour Government.

In an independent radio "phone-in" on London Broadcasting, she blamed the Government for the country's economic state and for soaring unemployment.

"Labour is responsible for the economic mess and nobody could have made a bigger hash of it than this lot," she said.

Mrs. Thatcher was also blunt about Mr. Edward Heath's election failures when one caller asked what she could offer the Tory Party that Mr. Heath could not. "We lost the last election and the one before and a lot of the troubles of the country have stemmed from that," she said.

Would Mr. Heath get a place in her Cabinet? "That is not a matter which arises immediately," she commented. "You must leave it to me when the time comes."

She repeated her hope to topple the Labour Government this year, saying she wished to oust Mr. Wilson as soon as possible.

Asked about a 1976 General Election, she replied: "I think it is possible and something we would be prepared for. I would very much like it. I would like to be in a position to get things done and not just talk about them."

# Air cargo chief urges freedom from controls

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITAIN'S FOUR leading all-cargo airlines should be formed into a "cargo force" and freed from present restrictive regulations which govern the conduct of non-scheduled aircargo services.

This would give Britain's merchant air fleet a sharper competitive edge over its foreign rivals, which, in turn, would help U.K. manufacturers in their export efforts.

Mr. Alan Stocks, managing director of IAS Cargo Airlines, makes this point in response to the Civil Aviation Authority's recent request for views on the future regulation of the air freight industry.

The CAA some time ago published a "consultative document" preparatory to amending existing regulations to stimulate air cargo expansion in a period of tougher business conditions.

Mr. Stocks says that, unlike the freedom of shipping, civil air transport "is bugged by political interference."

"Historically, the U.K. is a trading nation, and the unfettering of unnecessary controls in the air-freight scene would enable the U.K. independent freight airlines to secure the necessary confidence and financial backing to be world market leaders."

He suggested that the "cargo force" could be composed of IAS Cargo Airlines, British Caledonian Airways (Charter) cargo division, Transmeridian Air Cargo and Tradewinds Airways.

These airlines have been responsible in the U.K. for the development of independent all-cargo operations. "These will be the sinews of future air cargo business," Mr. Stocks says.

He wants to see extended tenure of air cargo licences, with the suggested "cargo force" of U.K. airlines being given a clear brief to develop the British independent air cargo market.

# Income-tax trial adjourned

THE TRIAL of nine men and two companies accused of income tax frauds was adjourned until to-day because of legal arguments shortly after it opened at the Old Bailey yesterday.

The defendants include J. Murphy and Sons, a North London construction company, and Mr. Michael Holly, its managing director. All deny conspiring to defraud the Inland Revenue by false representations over payments for work in the building industry between 1972-74.

The trial is expected to last three months.

## SNOW REPORTS

| | Depth (cms.) L | Depth (cms.) U | State of Piste | Weather | °F |
|---|---|---|---|---|---|
| **SWITZERLAND** | | | | | |
| Avoriaz | 10 | 145 | Fair | Fair | 41 |
| North facing slopes good | | | | | |
| Crans | 10 | 30 | Poor | Cloud | 28 |
| Worn patches | | | | | |
| Davos | 30 | 55 | Good | Snow | 34 |
| New snow on firm base | | | | | |
| Les Menuires | 30 | 50 | Poor | Cloud | 28 |
| Bare patches on all slopes | | | | | |
| St. Moritz | 30 | 50 | Pood | Cloud | 28 |
| Bare patches on all slopes | | | | | |
| Saas Fee | 20 | 60 | Fair | Fair | 28 |
| Worn patches on all slopes | | | | | |
| Seefeld | 20 | 70 | Fair | Cloud | 36 |
| New snow on worn base | | | | | |
| Val d'Isere | 25 | 75 | Good | Fine | 30 |
| Upper slopes still excellent | | | | | |
| Wengen | 23 | 65 | Fair | Cloud | 34 |
| Lower slopes worn | | | | | |

In the above reports supplied by representatives of the Ski Club of Great Britain, L refers to lower slopes and U to upper slopes. The following reports have been received from other sources—

| | Depth (cms.) L | Depth (cms.) U | State of Piste | Weather | °F |
|---|---|---|---|---|---|
| **FRANCE** | | | | | |
| Alpe d'Huez | 40 | 180 | Hard | Sunny | — |
| Chamonix | 5 | 50 | Hard | Sunny | — |
| Courchevel | 43 | 75 | Hard | Sunny | — |
| La Clusaz | 20 | 100 | Hard | Sunny | — |
| Les Deux Alpes | 40 | 120 | Hard | Sunny | — |
| Les Gets | 20 | 70 | Good | Sunny | — |
| Megeve | 10 | 80 | Hard | Sunny | — |
| Pra-Loup | 30 | 80 | Hard | Sunny | — |
| St. Gervais | 25 | 88 | Hard | Sunny | — |
| **NORWAY** | | | | | |
| Finse | 190 | 210 | Good | — | 18 |
| Geilo | 30 | 40 | Good | — | 23 |
| Gol | 30 | 40 | Good | — | 10 |
| Lillehammer | 20 | 100 | Good | — | 27 |
| Norefjell | 45 | 60 | Good | — | 23 |
| Oslo | 35 | 50 | Good | — | 23 |
| Rjukan | 80 | 100 | Good | — | 25 |
| Voss | 120 | 150 | Good | — | 25 |

# Walker accuses Russia over Angola intervention

BY OUR LOBBY EDITOR

THE SOVIET UNION was accused yesterday of steadily "colonising" Southern Africa through its latest intervention in Angola, and of continuing to use its economic power to damage Western economies.

The accusation was made by Mr. Peter Walker, a former Conservative spokesman on Defence and later Tory Secretary for Trade and Industry, in a speech at Worcester.

If Angola fell to Russia, the dangers to Britain would be far greater than the crushing of Abyssinia by Mussolini or the destruction of Czechoslovakia by Hitler, he said.

Already, Russia had military footholds in Somalia, Guinea and the Congo. "It is, however, Angola that they intend to make their first major prize—providing a naval and air base from which to dominate the South Atlantic."

"It would give them a foundation from which they could encourage a racial war that would destroy South Africa and Rhodesia and turn Southern Africa into another Soviet satellite."

Reviewing Russia's use of economic weapons against the West over the past four years, Mr. Walker said: "Russia is at present engaged in creating a major disruption of world shipping by wilfully undercutting by 15-50 per cent. world freight and liner rates."

Russia knew each disruption had a serious undermining effect on Western banking and insurance institutions.

"Already they are the world's largest producer of platinum and have the power totally to disrupt world prices of gold, diamonds and timber."

"Add to this economic power the mineral resources of Southern Africa, Russia's power for economic disruption of the world is enormous."

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# Bill supporting independent unions tabled in Lords

BY JOHN ELLIOTT, LABOUR EDITOR

ATTEMPT to tighten the Employment Protection Act so it does not allow employer-dominated staff associations to enjoy recognition and other advantages provided for independent trade unions is being made by a trade union peer, Lord Briginshaw, former general secretary of the printing union Sogat.

Lord Briginshaw, who is also a part-time member of the governing council of the Advisory, Conciliation and Arbitration Service, has tabled an Employment Protection (Amendment) Bill in the Lords. The Bill is expected to come up for Second Reading later this month when its chances of gathering sufficient support to become law will emerge.

The Bill is the brainchild of Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs. It lays down strict criteria against which an organisation will be judged by the Employment Act's new Certification Officer when he decides whether to certify a union as independent.

Only a certified union can enjoy the Act's recognition, arbitration and other advantages and a large number of staff associations will try to gain this status in order to fight off TUC unions such as ASTMS.

For this reason ASTMS is keen to make it as difficult as possible for the associations to pass the certification test and Mr. Jenkins felt that the Employment Act, as it emerged from Parliament, was too vague. He was specially annoyed that the Government abandoned at the last minute an attempt he had personally encouraged, to write strict criteria into the act and, as a result, he has persuaded Lord Briginshaw, an old friend and colleague, to put forward his Bill containing the same criteria as those abandoned by the Government.

But Lord Briginshaw's other role as a member of ACAS, which services the Certification Officer but is not intended to influence his decisions, has led to controversy.

Yesterday Mr. Paul Nicolson, general secretary of the Confederation of Employee Organisations, which represents staff associations outside the TUC covering an estimated total of 70,000 members, said: "Only a few weeks after the Employment Protection Act has received Royal Assent, an amending Bill is introduced by a member of the council of ACAS which will bias the interpretation of the definition of 'independent' trade union in favour of trade unions with members in many companies and against trade unions with members in one company."

Mr. Nicolson's complaint stems from the fact that one of the criteria which might count against certification is whether an organisation has members in only one company—as often happens with staff associations. The other criteria include whether an employer helped to form the union, whether he helps it with finance or in a material way, whether the employer sits in on union meetings or receives reports of its affairs.

Despite Mr. Nicolson's objections however, the criteria are generally accepted by the Government and by many employers and union leaders as fair. They are in line with ideas put forward by the former Commission on Industrial Relations and are expected to make the job of the Certification Officer easier when he comes to decide which unions are or are not independent.

# '£2m. a year more available' for junior doctors' pay

BY OUR LABOUR STAFF

THE DEPARTMENT of Health and the British Medical Association received a report last night from independent auditors which is believed to show that about £2m. more a year than earlier estimated is available for redistribution of junior hospital doctors' overtime payments.

Arguments about the amount of overtime money actually being paid were at the centre of the dispute which provoked the recent industrial action by the majority of the 19,000 junior hospital doctors. This was suspended just before Christmas. Earlier estimates showed that just under £12m. a year was available for redistribution in new contracts sought by the doctors. The Government insists that no new money can be added to the overtime pay bill without breaking the pay policy.

But doctors said that the £12m. was an underestimate for the current year, and finally accepted the offer of an audit, which has been carried out by the City accountancy firm of Price Waterhouse, using more up-to-date figures.

Details of the report will be considered by the doctors' national executive committee tomorrow.

On the same day the BMA will start sending out ballot papers to 11,000 hospital consultants asking them if they accept a compromise formula for phasing out private practice from National Health Service hospitals.

Those who turn down the proposals are being asked to send undated forms of resignation for use by the BMA "if necessary." The ballot result is expected towards the end of the month.

Some consultants are treating emergencies only in protest at the Government's promise of legislation against private practice in the NHS.

# First meeting for Equal Opportunities Commission

The Equal Opportunities Commission held its first meeting yesterday shortly after Miss Betty Lockwood, the commission's chairman, had launched a series of pamphlets explaining new legislation on women's rights.

She also warned that the commission might decide to conduct a formal inquiry into job evaluation methods if it was felt that women were being unfairly treated under job grading schemes.

The commission's headquarters are in Manchester but it held its meeting yesterday at its London offices, where Miss Lockwood reported it had dealt with 500 inquiries on the new laws last week.

Members of the commission at the meeting (above) yesterday were from left to right: Mrs. Marie Patterson, national officer of the Transport and General Workers' Union; Mr. John Beale, West Glamorgan chief education officer; Miss Ethel Chipchase, secretary of TUC women's advisory committee; Mr. Eric Robinson, principal of Bradford College; Mrs. Caroline Woodroffe, chairman of Brook Advisory Centres; Lady Elspeth Howe, the Commission's deputy chairman; Miss Betty Lockwood; Mr. C. Hess; Miss Anne Mackie, assistant industrial relations advisor at Unilever; Lord Allen, general secretary of the Union of Shop Distributive and Allied Workers; Miss Agnes Patrick, former governor of Glasgow's social work committee; Mr. Alexander Nicol, vice-chairman of Joseph Lucas.

Last night the commission members attended a party at the Banqueting Hall, Whitehall, given by Mr. and Mrs. Michael Foot for people active in women's rights to celebrate the implementation of the Equal Pay Act and the Sex Discrimination Act.

# Derbyshire miners ban overtime

By Our Labour Staff

DERBYSHIRE'S 12,000 miners returned from the Christmas holiday yesterday to begin an overtime ban in protest at the closure of Langwith colliery, near Chesterfield.

Area representatives of the National Union of Mineworkers, who said the ban had had a good response from members, are to lobby the NUM's national executive in London on Thursday urging them to make the ban nation-wide.

The National Coal Board has decided to run Langwith down over two years and transfer 900 miners to other pits. The NUM says there is 2.5m. tons of workable coal there despite the NCB's view that it would be difficult and dangerous to mine.

It was too early to assess the effect of the Derbyshire ban, the NCB said yesterday.

# Government hopes to create more Welsh jobs

BY OUR LABOUR STAFF

SOME 2,000 people should be employed in Wales early this year under the Government's job-creation programme, says Mr. Ron Aston, the programme's regional organiser.

He added that the Welsh Action Committee had recommended a total of 104 projects that would provide temporary employment for 1,100 people at a cost of £1.4m.

In London, it was announced that Community Service Volunteers were to receive a grant of nearly £400,000 from the Manpower Services Commission for a series of projects at Sunderland under the job-creation programme. About 250 young people were to be employed on the projects, all involving social services.

These will provide on-the-spot training, so that at least some of the young people are prepared for future social work.

# Moves to offset car job losses

Trade union leaders will express their fears about the longer-term level of employment in the Midlands to Mr. Michael Foot, Employment Secretary, when he visits Birmingham on Thursday and Friday.

They will put forward specific proposals aimed at establishing new technology-based industries to offset the decline in the motor industry.

# Train for management, Jack Jones tells TGWU

BY OUR LABOUR STAFF

TRADE UNIONISTS must not only learn more about management and its techniques, but also how to articulate their views, if they are to be prepared for the future, according to Mr. Jack Jones, general secretary of the Transport and General Workers' Union.

Writing in the union's journal, Record, Mr. Jones said trade unionists were getting greater responsibilities than ever before. "New laws give them more authority, the right to participate in management decisions, and the right to know their employers' future plans to a degree which their forefathers would never have thought possible."

This would put "enormous responsibilities" on them. "We have not only got to know what we are talking about but how to say it."

He added: "The manager's office or the boardroom, or even the chairman's office, are no places to be tongue-tied. The TGWU puts winning the battle of ideas with an alert, informed and articulate membership high on its list of priorities."

# BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

## Textile tapes study forges ahead

TRADITIONALLY the textile industry has been founded on the use of more-or-less round cross-section fibres. Over the past decade there has been a considerable rise in the production of tapes based on polypropylene or low density polyethylene. These are being produced to fine limits and are replacing many of the coarse fibres such as jute, sisal and coir for all manner of applications.

Most carpet backings and sacks are being made from these fine tapes, as are ropes and twines, although here the tapes are caused to split, or fibrillate, and thereby more closely resemble natural fibres.

Production of tapes is based on the extrusion of sheets of film which are then slit to the required dimensions. But as the application of fine tapes advances, so does the call for the properties to meet more stringent specifications.

A great deal of basic research into fibres and films has been done by LIRA, the Lambeg Industrial Research Association (Lambeg, Lisburn, Co. Antrim. Tel.: 023-82 2255). Recently, LIRA has introduced two instruments which will considerably aid film producers involved in tape manufacture.

The LIRA sonic modulus instrument measures the time taken for a sound pulse to travel between two probes and, as the velocity of sound is known and the distance between the two probes is also known, the velocity of the sound passing through a material positioned between the probes can be calculated.

This value is used to measure what is known as the sonic modulus of, say, a polypropylene tape. Linked with the density of the material which is another known factor, it is possible to calculate various physical properties of tapes. This is an invaluable aid for production control.

Film is normally extruded through a die and it is essential that the die lips be precisely set to give a film of constant thickness. This adjustment can often be complex and very lengthy.

The Lira film thickness gauge has been developed to simplify and speed this task. The gauge measures the thickness of film between the gauging head and compares this with a reference surface. The film is used as a dielectric material between the two plates of a capacitor. With the new instrument it is possible with normal zero-setting control to set the meter to centre scale for a required film thickness, with the gain control pre-set to give half full-scale deflection for a change in thickness of 25 microns. The gauge is traversed across the full film width and variations in thickness are noted. This indicates where the die-head setting screws need to be adjusted to give the desired thickness. Considerable saving in setting times are claimed for this new device.

● RESEARCH

## Studies of roller bearings

UNDER a contract with the Procurement Executive, Ministry of Defence National Centre of Tribology has been investigating the performance of self-lubricated rolling element bearings. Instead of using a conventional lubricant these bearings incorporate a cage made from a solid lubricant composite.

This transfers a film to the balls and the races, thereby protecting the bearing elements and giving a constant low frictional torque.

The investigation has covered a range of composite materials (including carbon-fibre reinforced plastics) in a number of different bearing designs. Extensive testing has been performed with the two most successful composites, namely Duroid (glass fibre and $MoS_2$ reinforced PTFE) and Vespal SP31 ($MoS_2$ in polyimide resin). These cage materials have been evaluated in deep groove bearings at temperatures between −70 deg. C and 300 deg. C, at speeds from 65 to 7,000 rpm and at loads (both axial and radial) up to 6 kg. The size of bore used has been between ¼ inch and 1 inch.

The information gathered from these tests on the wear rate, frictional torque and life of the bearings has been assembled in the form of a Bearing Performance Guide. This guide describes the operation of self-lubricating bearings, and provides detailed charts and tables from which the life of a Duroid or Vespal caged bearing can be predicted for a wide range of operating conditions. The method used for defining the bearing life is based on the maximum tolerable wear of various bearing components. When the load is low the life is limited by cage wear; when it is high the film breaks down and race wear results. The guide, which will be available for general distribution early in 1976, also provides information on the performance of the bearings under the type of conditions which may occur in practice, such as misalignments, vibration, oscillation, and bearing accelerations and decelerations.

NCT is on Warrington 31244, UKAEA, Risley, Warrington, Lancs.

● INSTRUMENTS

## No ear for music

PIANOS CAN be tuned more accurately and much of the complexity of the process removed using the Electronic Tuning Aid (TEA) made by Lloyd Instruments and distributed by H. J. Fletcher and Newman, 39 Shelton Street, London WC2H 9HL (01-240 1726).

ETA produces an accurate and stable reference note for every note on the piano (and can also be used for some other musical instruments). The incoming note from the piano is picked up on a microphone and compared with the reference oscillator; then, instead of listening for "beats" in the customary way, the tuning display is observed. This is a rotating light point which moves clockwise once per beat when the note being tuned is flat, and anti-clockwise when sharp. The numerical value of the beat frequency is also displayed.

For obtaining standard pitch (A440), a pitch control is set to the centre of its scale, which is calibrated in ±50 hundredths of a semitone so that an external reference (say another instrument) can be used. After this, each octave and the note within it are set on separate switches. The equipment is battery operated and easily portable.

● DATA PROCESSING

## Keeps the data clean

EXPENSIVE errors in the data fed to main-frame computers can be reduced to a low level using unusually sophisticated software-based validation employed in the Logic 2000 DP data preparation machine.

Data is entered on a standard typewriter keyboard and an integral printer uses an interchangeable golf-ball head giving the user hard copy of input and complete freedom in the choice of fonts, including OCR. The machine also produces paper tape.

Programs for validation are stored on cartridges and enable extensive checks to be built into the user's systems so that only clean data reaches the main-frame. Considerable savings in computer time and expense can result.

The Logic 2000 DP also offers considerable processing ability in its own right and can be used for such tasks as ledger posting, purchase accounting and nominal accounting, stock recording and payroll. A range of appropriate programs is available from the company.

More from Office Data Systems, 7 York Street, Twickenham, Middlesex (01-891 2202).

## Support for System 32

SOFTWARE/32 is a company recently formed to provide tailor made systems for the new IBM computer—System/32.

The company, a subsidiary of Customer Computing Services of Darley Dale, Matlock, has now been approved by IBM as an official software house and will be providing this service initially in the Midlands area. It has received its first contract from a Sheffield steel company for a sales ledger and analysis package which is currently being written in RPG II.

Software 32 is at Darley Dale, Matlock, Derbyshire DE4 3AF. 062 983 2501.

## Costing for printers

SINGER Business Machines has a computerised printer's costing system developed by it after co-operation with the Ferry Pickering Group, the Hinckley (Leicestershire) printing and packaging concern, which has been using the system on a Singer System Ten computer for almost two years.

The costing package is based on "Cost Accountancy for Printers—Part I," published by the British Printing Industries Federation.

Ferry Pickering Group has a turnover of about £4m., and Singer will be offering the computerised package to 300 companies, with turnovers in excess of £1m., through a series of seminars.

Management at the pioneering company are satisfied with the cost-effectiveness of the Singer costing system which runs side by side with weekly and monthly payroll, sales ledger and purchase nominal ledger.

The System Ten at Hinckley comprises a 30K central processor, two disc drives, two visual display units and a line printer.

Singer is at Wedgwood Way, Stevenage, SG1 4PU, Herts. Stevenage 4343.

● SAFETY

## Pinpoints source of explosive

WESTINGHOUSE Electric Corporation has a phosphor tagging system for explosive materials that could give police valuable aid in solving bombing puzzles such as the La Guardia airport attack.

The company says that phosphor particles included in the explosive at the time of manufacture would enable police scientists to tell with certainty the name of the explosives maker, the date it was made, the type of explosive and, in many cases, to whom it was sold.

The tagging system—necessarily to be enforced on makers—would also enable officials to determine quickly whether a explosion had occurred as result of leaking gas or w deliberately set with explosive

Westinghouse developed t phosphor tagging system und a contract with the U.S. Bure of Mines. The system could useful in determining, followi a mine accident, whether t mining company had used approved types of explosi materials, the company said.

The company indicated th small amounts of tiny phosp encapsulated phosphor would mixed into batches of exp sives when they are made. using a variety of differe phosphors, the manufactu could code each batch w almost any data desired.

Traces of the phosphor s vive the explosion and detected with ultraviolet-lig devices, which makes phosphors glow.

● MATERIALS

## Mould coat improved

CLAIMED BY its manufacturers to reduce the need for and sometimes eliminate swabbing dopes, Cerastil Grade MC is available in Britain through Industrial Science.

Grade MC is a concentrated liquid graphite with an inorganic binder. It is designed as a long lasting release coating for glass blank moulds, baffles, rings, etc. The concentrate is normally diluted with plain tap water, sprayed on the clean moulds to a total thickness of 6 to 10 mils. and then dried and baked to 250°C.

Cerastil MC has the abil to produce flawless work wh not having to be swabbed re larly. Thus machine operat can concentrate fully on monit ing equipment.

Offensive fumes and smo emanating from the appli swabbing dope are reduced.

Several glass manufactur have already bought amounts of this material, but small informal exhibition being held at the Caven Hotel in Jermyn Street, Lond S.W.1, on the 28/29 Janua 1976, to which other industry interests and ma facturers in general are invit

Further information fr Denis Leader at Dover 202656

● COMPONENTS

## Capacitors are 'clean'

REQUIREMENTS for dependable small-sized low cost ac capacitors have been increasingly met over the years, states Sprague, by paper units impregnated with a polychlorinated biphenyl (PCB).

But now that this substance is becoming suspect due to its persistent and toxic qualities and some countries are banning its importation, the company has introduced the Eccol range of capacitors as an alternative.

They are claimed to have dissipation factor, case temp ture rise and life characterist equivalent to the PCB devi but with a wider operating te perature range and less as ciated capacitance change.

Sprague states that the rate which the impregnant (whi contains only the eleme carbon, hydrogen and oxyg decomposes biologically is pected to be "orders of mag tude" greater than the PCB More about specific ratings a sizes from Sprague Electr (U.K.), 159, High Street, Yiew ley, West Drayton, Middles UB7 7RY (West Drayton 4462

● PROCESSING

## Recovering process fluids

RECOVERY of condensate should be an essential part of any plant or process where steam is used and, with the present day high cost of fuel and treated water, under certain conditions it is claimed that a Girdlestone condensate recovery unit can save its own cost within 12 months.

The standard recovery unit is built up from receiver, pumping unit and level control equipment. Receivers are available in mild steel, galvanised steel, coppe stainless steel and cupro-nicke

Pumps are of the centrifug type selected from the Gird stone USM and URF ranges a are available with materials construction including cast ir stainless steel gunmetal.

Designed as a simple packag unit which can be fitted into confined space, the entire c struction — including receiv tank; pumps; valves and int connecting suction pipework— mounted on a fabricated st frame and requires minim installation work. Separate ceivers and pumps can be p vided if required.

Girdlestone is at Melton, Wo bridge, Suffolk IP12 1ER

● SERVICES

## Compressed air with less noise

ONE OF the first customers for CompAir's new BroomWade RotorAir industrial air compressors is British Insulated Calender's Cables at Prescot, Lancs.

Fourteen oil injected rotary screw models up to 340 hp are available with pressures up to 10 bar (150 psi). With operating sound levels down to 73 dB( at a distance of one metre t compressors are claimed to the quietest in their class in t U.K.

Every RotorAir compress with ancillary equipment delivered as a completely se contained packaged unit rea for connection to power and lines. Installation takes on minutes and no special found tions are required it is stat

The compression element the heart of the unit—emplo the latest asymmetric rota screw profile and is covered b two years by a BroomWa guarantee.

● MACHINE TOOLS

## Small tube output to increase

A NEW hydraulically-driven drawbench that reduces tag breakages in precision tube production has been installed at Alma and National Tube Company, Halesowen. Alma and National expect it to increase their 6 mm. to 25 mm. drawn steel tube output.

The 5-tonne twin-draw drawbench has been developed by Brookes (Oldbury), a TI Machine Division company. The hydraulic drive system permits smooth take-up from a standstill which eliminates the common problem with traditional drives: tag breakage. The tag is the reduced tube end gripped by the draw carriage.

The draw chain on the new Brookes machine is a small pitch roller type, driven on a large diameter sprocket to eliminate vibration and chatter associated with conventional drawbench chains. The carriage is permanently attached to this chain. This necessitates reversal of the main drive sprockets to effect a pull after the carriage has returned to grip a pair of tag ends. The start of each draw is thus from a stationary position and snatch is completely avoided.

A second Brookes 5-tonne drawbench is on order from Alma and National. The two machines will increase the company's small tube production by 20 per cent.

Machine Division is at POB 39, Coventry. Coventry 75521.

# The Executive's World

**Rhys David** looks at how Shell International now sets about . . .

## Picking the winners

N A FIERCELY competitive id highly technological indus-y like chemicals one of the ain pre-occupations for senior -anagers is that of deciding hich product areas to be in id, conversely, which product eas ought to be phased out. ut while in the smaller com-any it may be possible to make ipital investment decisions by ie seat of the pants using iperience of customers' requer-ents and judgment as to the kely development of the arket and competitors' moves, gger enterprises need a some-hat surer way of picking inners and avoiding losers.

One of the biggest chemical ompanies, Shell International, art of the Royal Dutch/Shell roup has come up with what believes to be a rational oroach to this problem, which ould take some of the guessing it of investment, and by rais-ig the quality of decisions erhaps help the industry to vercome one of its recurrent roblems—over-investment and s attendant difficulties.

The Shell approach which as outlined recently to chemi-il industry executives in the etherlands by Mr. W. C. Thom-on, chairman of Shell Chemi-ils U.K., starts from the as-imption that resources will ways be scarce because there ever will be or should be en-igh financial and other re-ources for the execution of all ie projects which can be con-eived by a healthy and creat-e company. The development f an optimum corporate stra-gy therefore demands, accord-ig to Mr. Thomson, some struc-iral and preferably quantifi-ole method of analysis and ssignment of ranking order to long list of embryonic pro-ects.

### Matrix

Shell's tool for achieving this termed the directional policy iatrix (DPM), and is built round two axes: one—the hori-ontal—showing the prospects r profitable operation within ie particular sector under in-estigation and the other—the ertical—measuring the com-any's present competitive posi-on within the sector against ther companies. The matrix is ien divided into a series of oxes, and depending on its osition on the two axes each roject will fall into one of iese.

The technique developed by hell for deciding how to place rojects within the matrix uses system of stars and grading hich owes something to both ie Michelin Guide and to Vhich? magazine. But it is cap-ble of being used not only ithin the chemical industry ut with adaption in other iversified businesses which mbrace separately identifiable ectors.

In chemicals Shell has ecided there are four main riteria which need to be used o place products on the hori-ontal axis displaying the rospects for profitability. These re market growth rate, market uality, feedstock, and environ-iental aspects, and depending n how the project fares under he analysis of a team of xperts from within the com-any it will be accorded from ne to five stars. Thus if it is product for which demand will grow only as fast as the chemical industry average it will attract only three stars, with more stars for a faster growth rate and less for a slower one.

Under market quality, the ability of new products to achieve a consistently higher or more stable level of profitability than other sectors is assessed. The analysis will cover, for example, whether margins can be maintained at a time of excess capacity, susceptibility to commodity price behaviour, availability of technology to competitors, the number of market suppliers, the power of customers and the risk of substitution by other products.

The availability of feedstock and any possible problems, and the likelihood of environmental restrictions on the manufacture, transportation and marketing of a new product are also considered and stars similarly awarded. The stars are then converted into points and the points given under each criterion are then totalled so that the position of the new product along one arm of the axis can be determined.

In the analysis of a company's competitive position in a particular sector three criteria are used—market position, production capability and product research and development. If a company is in a pre-eminent position in a particular market likely to be followed by others in pricing and with acknowledged technical leadership it will probably award itself five stars. If, however, it is one of a number of major producers it may mark itself down to four while if only a minor producer it will give itself two.

In assessing production capability factors such as whether the process used is modern, whether the plant is big enough for market share to be maintained, the degree of security from breakdowns or industrial action, and logistics to principal markets are considered. The research and development assessment will take into account product range and quality, technical service and applicational development.

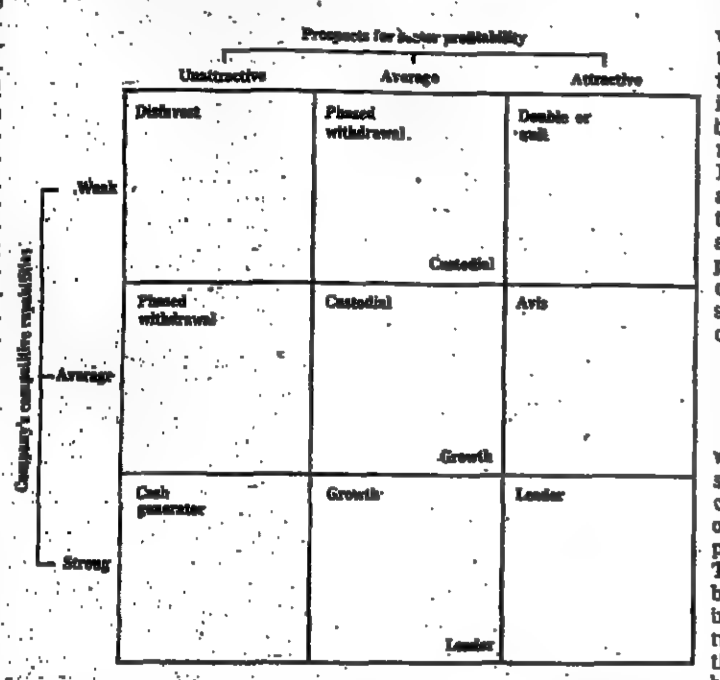
When the points under each heading (on a 0-4 scale to correspond with the 1-5 stars) have been added together the position on the other axis becomes clear and by cross-reference to the horizontal axis the position of the product on the matrix can be obtained.

Within the matrix the boxes have been given labels to indicate the significance of the position in which products find themselves. If a product is in the leader box it will have scored high points on both axes and the implication is that the company should give priority to its development, devoting all the necessary resources.

The "Avis" label is meant to suggest that with the right allocation of resources the company can build on the number two position in which the product finds itself. The double or quit zone is seen as the area from which products that are destined to become future bright prospects should be selected.

Elsewhere in the matrix the custodial position—the zone where most of any company's products are likely to fall at any one time—suggests a strategy of maximising cash generation without further commitment of resources. Where products are in the growth position the indicated strategy is to allocate resources sufficient to enable the product—which will probably be generating the funds itself—to grow with the market.

**Directional policy matrix**




### Prospects

The products in the left-hand column will be those with poor prospects where perhaps a new product is taking over. It remains possible, however, for companies with a strong position in this sector to earn satisfactory profits which can be used to finance faster growing areas. In the disinvest sector products will probably already be losing money and the correct strategy is probably to dispose of the assets as quickly as possible.

The system of course need not only be used to assess a company's own prospects in a particular product area or to look at the viability of existing products. The matrix can be used to compare a company's prospects in a particular market with those of its competitors which might, for example, be known to have more modern plant, important licensing arrangements, access to different technology, or a stronger or weaker overall position in the market.

Mr. W. C. Thomson

According to Shell the DPM, which owes some of its features to management theorists outside the company as well as within, is already much more than a bright idea, convincing as a theory but not in practice. "The DPM is now routinely used in any product sector review by the product divisions themselves and it is either an implied or an explicit element in overall corporate investment strategy," Mr. Thomson points out.

### Pass on

There remains the question why Shell, having developed a successful tool for making decisions, is happy enough to pass on the information to its competitors. According to Mr. Thomson, lack of discernment by companies in the chemical industry in embarking on ventures in product sectors in which they had no special advantages has been a factor in leading to the construction of excess capacity for certain products at certain times.

These products have then to be sold at marginal prices depressing prices for the industry as a whole to levels which cover little more than the variable manufacturing cost and which are insufficient to permit reinvestment in new plants. Shell believes that with wider use of techniques similar to DPM chemical companies could be guided to choose projects for which they were suited, to the benefit of the industry as a whole.

The DPM, however, is only a technique, Mr. Thomson stresses, and is only intended to apply to one aspect of the development of a rational corporate investment strategy—that concerned with making the choice between the development of different product sectors. Having used the DPM as a tool, management still has to use its own judgment in making up its mind.

## Touche Remnant defines its investment management

BY NICHOLAS LESLIE

MANAGEMENT OF investment trusts is a very individual matter. It can vary between a tightly defined structure and a very loose format. Critics of the performance of investment trusts even level the accusation—and rightly so in certain cases—that some management companies have no real investment management strategy at all.

Performance could be defined as the ultimate test of a management style and in the long run that must be true, even though it partly denies the fact that a place can still exist for the investment manager with an ability to pick winners come what may.

Wherever a trust may stand in the ladder of competence, even the best need in to-day's climate to ensure that they maintain efforts to attract investment interest. For, although over the years they have continued to attract funds, their popularity relative to other forms of investment has diminished, particularly where the general public is concerned. Some observers of the market even suggest that investment trusts have had their day and that there is little likelihood of many new trusts being set up.

The declining interest can be attributed to a number of factors, not least, perhaps, being the competition offered by such simple forms of investment as unit trusts, building societies, and local authority stocks. Also, they are "closed-end" funds meaning that — unlike unit trusts where the number of units in issue can vary from time to time when new money comes available or units are sold—they have a fixed capital to invest and although they can borrow cash for the benefit of the fund a certain inflexibility is inherent in the structure. Additionally, investment trusts cannot advertise their shares—other than at the time of the initial share issue—in contrast to unit trusts' practice of regular advertising.

Over the past 10 years or so there have been many moves to consolidate the investment trust market by putting them together in groups. One such grouping has been Touche Remnant and Co. Since 1965, the number of investments trusts which the company has managed has grown from five to 14, and the total of funds it manages has risen over nine-fold from £62m. to £576m.

This puts it in the generally accepted position of being the largest group of investment trusts. That does not mean, however, that it is the largest fund management group since, even with its smaller pension fund business, it remains below such companies as Hill Samuel and Robert Fleming which include large pension fund, unit trust and other fund management among their activities.

But, while Touche Remnant's physical growth has been rapid, it is fair to say that the necessary adaptation of its investment management organisational structure has lagged behind. Steps have however now been taken to remedy this and in a manner unusual to this field. That is, it has not only developed a sharply-defined investment management and investment research structure, the members of which now have clearer areas of responsibility, it has also made known the whole on printed matter to institutions, banks, stockbrokers and other City investment organisations.

Lord Remnant—optimistic that portfolios will "benefit from our new organisation."

The aim is obviously to enhance the performance of each trust portfolio and that will ultimately depend on investment decisions. But such decisions should now be made with the benefit of improved availability of back-up research and better communications both internally and with outside sources of investment advice. Rounding off the changes has been a recent move into new offices in Winchester House, in London Wall, where a fresh open-plan layout of the investment management operation is expected to prove beneficial.

The restructuring began some 18 months ago when it was decided to give greater responsibility to each part of the investment management team. Lord Remnant, managing director of Touche Remnant, comments that the aim was to "put greater emphasis on the importance of each portfolio rather than on the general spectrum of investment."

The investment team had expanded over the years with the growth of funds and the number of trusts and stood at 16 in 1974. It was then recognised that a decision was required on how to run the operation and how much centralisation was needed.

Mr. R. Millar, A Touche Remnant director and director of investment services, says the resulting organisation is based on a concept of a group of 24 people with specialist functions, "retaining the principle that each of our investment trust company clients operates within a strategy set by its own Board—very different, as we understand it, to other investment trust groups" (although a view which some are ready to refute). With pension fund management, however, Touche Remnant strongly influences policy.

There are two separate functions—investment management and investment services. Within the former there are separate teams comprising an investment manager, an assistant investment manager and a portfolio research assistant (PRA). The first two are responsible for investment decisions regarding each portfolio, while the PRA's have the dual function firstly of providing information specific to the portfolios which their manager's are responsible for and secondly of carrying out a more disseminating research role within the investment services department which provides the centralised research effort.

Lord Remnant describes this as a "cellular" structure most suitable for expansion since other three-man management teams can easily be grafted on and be linked to the investment services department should the number of portfolios managed increase.

Investment managers and their assistants have the responsibility of participating in broader areas of investment work, particularly in assigned geographical areas and stock market sectors so that the widest specialised coverage can be achieved, with outside advisers knowing who to contact with information or suggestions.

In the investment services department the PRAs back up a full-time team of analysts and there are also two managers assisting Mr. Millar.

There is specific monitoring by the investment services analysts and PRAs of some 400 companies, drawn from the three major stock markets of London, New York and Tokyo, which account for up to 90 per cent. of portfolios under management. Who is responsible for which companies has also been made known to banks, stockbrokers, etc.

Each investment manager, who at present is also a director on the Touche Remnant Board, has the flexibiilty to buy and sell shares for his portfolios on an individual basis rather than, as has occurred in the past and applies to some investment trusts, on a block basis whereby shares are bought and spread around several portfolios. His assistant should also have this flexibility and the overall aim here is to ensure emphasis on each portfolio.

The growth at Touche Remnant has been accompanied by a move which saw 12 of the 14 investment trusts buying all the equity of their management company. The group now comprises Atlas Electric and General Trust; Bankers' Investment Trust; CLRP Investment Trust; Cedar Investment Trust; City of London Brewery and Investment Trust; Continental Union Trust Company; Industrial and General Trust; International Investment Trust; Law Debenture Corporation; Sphere Investment Trust; Standard Trust; Trust and Agency Company of Australasia; Trust Union; and Trustees Corporation.

What the restructuring will eventually achieve in terms of portfolio performance remains to be seen. Some initial private reactions in the City range from a certain scepticism about practice matching the theory to a pat on the back for Touche Remnant having organised such a move. Although much of the structuring can be found in one form or another elsewhere in the investment trust management field, the effort by Touche Remnant to make absolutely clear to those it comes in contact with its divisions of responsibility and who handles what has certainly impressed some people.

Another factor which will have to await events is whether shares of Touche Remnant trusts will become more popular. Only one-third of its funds are invested overseas and it has been those trusts with a large overseas content which have been attracting the most attention.

Lord Remnant put it this way recently to stockbrokers, etc.: "Don't look for a big increase in business as a result of our reorganisation. Bear in mind that as 'closed funds' we operate within certain constraints. We are optimistic, however, that the portfolios for which we are responsible will benefit from our new organisation, all under one roof."

## The shifting criteria for regional HQs

BY NICHOLAS LESLIE

THE ATTRACTION of Switzerland, Belgium and the U.K. as bases for regional headquarters for multinational companies may be fading. While in the past the major criteria relevant to multinationals have not been surpassed in these countries, the differences to-day among major western Europe industrialised countries are not so widespread.

This is the contention of international management consultants Towers Perrin Forster and Crosby. In a quarterly newsletter, the consultants suggest that criteria of multinationals for setting up a regional headquarters are, without any order of priority, as follows:

1—Stability and orientation of government.
2—Existence of an international business community.
3—Degree of acceptance of foreigners.
4—Attractiveness of physical and social environment.
5—Availability, quality and cost of educational facilities.
6—Availability and cost of labour.
7—Lack of statutory constraints.
8—Adequacy of communications facilities.
9—Level of individual taxation.
10—Cost of living.

While most western European countries meet the first eight criteria—with the exception possibly of Italy in respect of political stability—the consultants maintain that significant differences prevail in respect of taxation and cost of living. New personal income tax laws and differing rates of inflation have caused significant shifts in the degree of attractiveness of countries and while the consultants admit that location of regional headquarters should be based on overall benefits for the operation, they suggest that awareness of new tax laws and cost of living is important.

Taking a view on seven European countries, and accepting that a direct comparison of statistics among these countries is impossible, the consultants have nonetheless worked out a basis of comparison for how a foreign executive will fare.

The consultants suggest that pre-tax income, taxable income and even after-tax income are not valid statistics in determining remuneration policies that cross national lines—rather, considerable weight must be given to what disposable income will buy and thus what standard of living an executive can expect to maintain.

Many companies are now reviewing their regional headquarter situations, say the consultants. And they add that among actions being considered, in addition to moving the headquarters sites, are: reducing expatriate staff; decentralising operations: shortening tours for expatriates; and establishing more formal remuneration policies.

The consultants thus conclude that with remuneration being an area on which legal, political, economic and social events have a direct impact, when the external constraints are multiplied five, ten or 20 times, depending upon the number of countries the companies operate in, programmes developed must be well designed, equitable and flexible.

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TUESDAY, JANUARY 6, 1976


# A bleak vista for Ulster

THE WAVE of terrorism which has heralded the New Year in Northern Ireland is an uncomfortable reminder, if anybody needed one, that the province faces a bleaker outlook at this moment than at any time in the last three years. At the outset of 1974 an optimist could console himself with the chance that the new Executive would work. In January of last year the Executive had collapsed but the optimist could transfer some hope to the forthcoming meeting of the Convention on the Constitution. Now even that hope is extinguished by the failure of the Convention to agree. In these circumstances public opinion is confronted with the near certainty of a protracted period of direct rule from Westminster encroached upon by terrorist assaults by the Provisional IRA and counter-terrorism from the Protestant Loyalists.

### *Negative*

Are there any alternatives to this hideous vista? Mr. Merlyn Rees, the Northern Ireland Secretary, will certainly have been casting about for one as he prepares for the announcement on January 12 of the Government's attitude to the Convention's report and its policy for the future. He and his Cabinet colleagues have to be constantly on guard against a wave of reaction at Westminster and in the country at large against the continued commitment to Northern Ireland and the announcement of a purely negative policy without the faintest gleam of hope or movement might be the quickest way to provoke one.

On the other hand it is extremely difficult to propose anything else. The idea of taking the bull by the horns and trying to impose a new constitutional settlement on Ulster from above is thrown out of court by the manifest ability of the Protestant and Catholic communities to frustrate any solution of which they seriously disapprove. Protestant opinion has hardened since Mr. William Craig, the Vanguard leader, toyed with the idea of a temporary coalition last autumn and it is now clear that the Loyalists would boycott any solution which gave solidity to the power-sharing idea. Anything which gave a free hand to the Protestant majority, on the other hand, would meet the same fate as Stormont.

The other main possibility, and it is the one which Mr. Rees has been reported to incline towards, is to recall the Constitutional Convention with amended terms of reference and instruct it to make one more attempt to reach agreement. It is desirable that the onus of the deadlock should once again be placed firmly upon the Northern Ireland political parties if the virtually inevitable continuation of direct rule is not to involve Westminster in becoming the scapegoat of both sides. Against this it may be said that if the Convention meets again and breaks up once more in deadlock as it almost certainly will, the atmosphere of despair will be worse than if the Government held out the prospect that a new try should be made in, say, twelve months' time.

### *Responsibility*

Any realistic appraisal of the situation, however, must acknowledge that Westminster will remain directly responsible for Northern Ireland for the foreseeable future, and it will be prudent to ask what can be done to make this state of affairs more tolerable and more likely to favour the emergence of a new generation of politicians and a new climate of opinion in the two communities.

Ultimately, however, nothing can be achieved that does not spring from a basic realisation on the part of the people of the province that their present situation is absurd. Direct rule, at present is not intolerable to either community which is why it is the only alternative to all-out civil war. But so long as responsibility is not ultimately in the hands of Northern Ireland politicians the situation will remain profoundly unstable and therefore profoundly dangerous.

# Investment follows a familiar pattern

THE CYCLE of industrial investment has become almost a reassuringly familiar feature of the economic landscape. Manufacturing investment has nearly always fallen back in periods of recession and, contrary to the more doom-laden prognoses, has gone on to recover in the subsequent upturn. It has always moved fairly late in the economic cycle; and no amount of official huffing and puffing has succeeded either in eliminating the lags or in smoothing out the peaks and troughs. So long as general economic policy at a national and international level is characterised by go-stop, the resulting fluctuations will be magnified in industrial investment.

The new Department of Industry survey of investment intentions shows that we are approaching the turning point of a fairly typical cycle. Manufacturing investment is now estimated to have fallen by about 13 per cent. in 1975. It it expected to fall by a further 5-8 per cent. in 1976. Estimates of the upturn in 1977 are inevitably more tentative; but they do suggest a recovery of 10-15 per cent., after making the rather difficult allowance for price changes.

### *Greatest strain*

Because capital spending has to be planned some way ahead, the official survey of intentions has a reasonable record of being roughly right. But it did underestimate the extent and the duration of the last investment drop. The year 1972 was the second and final year of the previous investment downturn. The January survey suggested a fall in investment of 3 per cent., which turned out to be one of nearly 13 per cent. It would thus, not be surprising if the 1976 downturn were also severer than predicted, or if the turnround came slightly later than the middle of the year when it is now expected: It is just such a period which places the greatest strain on economic policy and makes it most tempting to turn on the fiscal and monetary taps without restraint.

The evidence so far suggests that the present recession in manufacturing investment is more sever than the previous ones, but not by a totally different order of magnitude. Manufacturing investment fell by nearly 20 per cent. between 1970 and 1972. On the evidence of the present official survey it will have fallen by a roughly comparable amount between 1974 and 1976. As already mentioned the actual fall could be somewhat larger. More important is the fact that manufacturing investment was previously on a long-term upward trend, with the trough of each cycle above the trough of the previous one. Since the early 1970s the long-run trend has been more or less steady and industrial capital spending has stopped rising.

### *Far from new*

Mr. Healey reiterated in a TV interview last Sunday his view that the Government should "work out together, with both sides of industry, the plans for the 30 most important sectors of the British economy and make sure that they fit one another." The Chancellor regards this as the key to improved investment performance, at times seemingly forgetting that this is a process which the market place is designed to carry out, whether in a capitalist or a socialist society. The idea of this kind of indicative planning is far from new and has been tried in the U.K. almost continuously since the early 1960s; and whether it really is the clue to French industrial performance is highly doubtful. Indeed, the evidence in most countries suggests that the Government can contribute most to improving the quality of investment by minimising its own intervention and by avoiding abrupt changes of political and economic objectives.

Percy Humphrey Reagan Ford Baker Jackson Wallace Bentsen

# A fresh pack, a new shuffle

**From JUREK MARTIN, U.S. Editor, Washington**

ON JANUARY 18, some 70 to 80m. Americans will gather round their television sets to watch the Super Bowl, the championship of American rules football. Most of them will expect the Pittsburgh Steelers to win, just as they have all season, because the Steelers are the defending title holders and carry most of the big guns.

On November 2, about the same number of Americans will vote in the national Presidential election. Normally at the start of the poltical season it is possible to make some pretty good guesses about who will play whom in the final, but not in 1976. This year nobody, apart from those with partisan attachments, can say with any certainty who will occupy the tickets of both parties in November, or, indeed whether there will exist a third, or even a fourth party.

Nobody really knows what the issues will be that will move people to vote, or, just as important, to abstain. Even allowing for the certainty that the economy will be of prime concern, nobody really knows what form that concern will take, whether the debate will be in classical terms over unemployment and inflation or whether it will move into the more subtle concepts of sound and honest management.

## Spectre of Watergate

It would be reasonable to assume that the spectre of Watergate, the great American trauma that unseated a president, will return to haunt the election, but nobody really knows for sure in which of its many possible manifestations it will surface and who will gain or lose from it. Will it be those who have always distanced themselves from Washington and the Federal bureaucracy or will it be those who claim to be able to control it?

Moreover, nobody knows for sure what will be the effect of the new rules under which the 1976 season is to be played: the financin rules which, if not overturned by the Supreme Court, provide Federal matching grants of up to $5m. to qualified candidates for primary campaigning but which limit individual political contributions to a $1,000 maximum; or the primary rules themselves, which, on the Democratic Party side, have largely replaced the old "winner take all" concept with varying degrees of proportional representation.

Therefore the most valuable exercise at the moment is to examine who is fighting whom and where between now and the two Conventions — the Democrats' in New York in July; the Republicans' in Kansas City a month later. The field is crowded—at least two Republicans and ten declared or undeclared Democrats — and the course long, starting with a State caucus in Iowa on January 19 and embracing 29 primaries, the first in New Hampshire on February 24.

## Greater things

The Republican race appears to be between President Gerald Ford and former Governor Ronald Reagan of California and, according to the public opinion polls, is likely to be very close. Mr. Reagan's bet is that he can beat Mr. Ford in at least three of the key early primaries — New Hampshire, Florida, Illinois, Wisconsin, and New York. He even has some hopes in Massachusetts. His stratagem, to be backed by the extensive personal campaigning at which he excels, is that if he can beat the President in at least three of these races, he will force him out of the contest or acquire sufficient momentum himself to go on to greater things later. If Mr. Reagan does badly in the early primaries — and such are the expectations held out by his staff that it may not be enough merely to run Mr. Ford close—then he is probably as good as finished.

Cynics say that the Reagan campaign, well-organised and financed and appealing to the Right wing of the Republican Party, is entirely cosmetic and without substance. He certainly sticks to standard conservative positions on a number of subjects, such as strong national defence, opposition to gun control and so on, but above all it rests on Mr. Reagan's controversial record as two-time Governor of Califirnia. During his tenure, he argues, the welfare rolls were cut, taxes were not increased and a new sense of fiscal responsibility introduced into the state's economic management. His most celebrated, but partially retracted, statement so far on the hustings goes to the nub of his appeal: He proposed that $90bn. worth of Federal social programmes should be scrapped and handed over to the States to administer according to their needs. His advisers mindful of Senator McGovern's equally radical but transparently disastrous $1,000 "Demogrant" scheme back in 1972, seem keen to fudge this issue.

It is fashionable to dwell on Mr. Ford's current weakness, to point to the irony that an incumbent President should be the underdog even in his own Party and, indeed, to argue that the biggest aid to the Reagan effort has been Mr. Ford himself through a variety of actions (sacking Dr. Schlesinger, getting rid of Vice-President Rockefeller, egging on Mr. Daniel Moynihan, and so on) designed to appeal to the Republican Right, which is Mr. Reagan's natural, perhaps only, constituency. But the President's fallibility surely stems from the fact that he is not an elected President, has no national stature won through the ballot box, and whose record, variable as it is, is being judged by arguably exceptionally harsh standards.

But this does not mean he is politically dead. Simply by being president, he will still enjoy the practical support of innumerable Republican organisations across the country. If he improves the indifferent quality of his current campaign staff, he could cement some invaluable relationships.

He might be helped by "favourite son" candidates in several states. Mr. John Connally, former Treasury Secretary is contemplating just such an effort in Texas: Vice-President Rockefeller may in New York. These may amount to simple "stop Reagan" manoeuvres but if, in combatting Mr. Reagan, Mr. Ford has not sacrificed entirely the support of moderate and liberal Republicans, who are unable to throw up a candidate of their own, he could be the principal beneficiary of a brokered Convention. It is just conceivable that the moderates will however coalesce behind one of their own, such as Mr. Rockefeller himself, or Senators Howard Baker or Charles Percy.

A number of Democratic candidates pin their hopes on just such a deadlock in Madison Square Garden a month earlier. The most extreme example of this is Senator Hubert Humphrey, the perennial competitor, who at the moment proposes to enter no primaries at all. He assumes that no candidate will go to New York with anything approaching a majority of the delegates and that the Party will turn to him as the most obvious unifier (the polls, which make him comfortably the most popular Democrat, agree with him).

Senator Humphrey is not, in practice, going to be quite that confidently casual. Favourite son candidates are likely to be more prevalent among the Democrats than the Republicans: Governor Jerry Brown, in California; Governor Hugh Carey, in New York; Senator Adlai Stevenson, in Illinois; and others, mostly of moderate persuasion, are likely to try to elect slates of uncommitted delegates and Senator Humphrey's staff has already opened negotiations with most of them.

## Biggest threat

But if somebody catches fire in the primaries (as Senator McGovern did in 1972), then Senator Humphrey may have got his calculations wrong (as he did in 1972). The biggest threat is obviously Mr. George Wallace, the Governor of Alabama, the spoiler of 1968 and 1972 and as dangerous now as he ever was.

Conventional wisdom says that this is an impossible dream and that though he could go to the Convention with the largest block of delegates pledged to any single candidate, the Democrats would move hell and high water to deny him the nomination (even to the extent of Senator Edward Kennedy swallowing his doubts and responding to the call).

But Governor Wallace is now beter advised, better organised and better financed than ever before. He has done much to dispel doubts about his health (he is still paralysed from the waist down following the attempt on his life in 1972). He has tried to broaden his appeal, even by undertaking a European tour last autumn, the

Only two of the other Democratic candidates have chosen to tackle Governor Wallace head on in Florida, even though, sooner or later, somebody is going to have to do precisely that. They are Mr. Jimmy Carter, former Georgia Governor, and Senator Henry Jackson from the state of Washington. Nobody has worked harder for the nomination that Mr. Carter, with his engaging brand of liberal populism and conservative morality. More than any other contender he has tried to emulate the McGovern model in the 1972 primaries, campaigning and organising just about everywhere, which, with the wider application of proportional representation, may be of some benefit. He is one of the few Democrats who believes the Convention will not be brokered but will go to the leading liberal, either himself, Senator Birch Bayh, of Indiana, or Congressman Morris Udall, from Arizona. If Mr. Carter beats Mr. Wallace in Florida or runs him reasonably close, he may be on his way, but these are enormous "ifs."

At one time, it was thought that Senator Jackson might clear the way for Governor Carter to have the best shot at the Alabaman in Florida, but, with typical obstinacy, he declined to do that. The Jackson campaign remains an enigma — more relaxed than in his disastrous bid for the nomination four years ago, he is nonetheless the most boring public performer. But if Charisma in 1976 is yesterday's darling then this may not hurt him. He has lost the support of that labour hierarchy that made him the front-runner for much of last year (George Meany, head of the AFL-CIO, called him a "turncoat" for his attitude towards the Soviet Trade Bill) but this may be no drawback at all. He has veered politically sharply to the right, as in his proposed legislation curbing court-ordered bussing. He is certainly no longer ahead of the pack but his national organisation, according to some respected observers, is deceptively strong. If he does badly in Florida and Massachusetts, then Senator Jackson can forgot about the nomination, but he probably will not quit the race and may therefore be a factor if there is bargaining at Convention time.

Senator Birch Bayh of Indiana is rather like a younger version of Mr. Hubert Humphrey, which may hurt him. He is a great champion special causes (labour, farmer minorities, women, envir mentalists) and possesses a ce tain Kennedy allure. He is ru ning hard in New Hampshi and Massachusetts in search the momentum that would mal him the leading liber candidate.

The remainder seem to l riding on a wing and praye Senator Fred Harris, the forme Oklahoma Senator, lacks not ing in enthusiasm but pu forward a populist thesis for tl reconstruction of Americ society away from capitalis that is strong meat by U standards. He must win h own state caucus on February and do well in New Hampshi and Massachusetts to stay aliv More conventionally liber Congressman Udall is the talle candidate, probably the cleve est and certainly the wittie but must destroy Carter, Bay and Harris to proceed beyor the preliminary stages. Senat Frank Church, from Idah though not officially a candidat is hoping to translate t national exposure he h enjoyed in his position as he of the Senate investigations in the CIA into some votes in Ma sachusetts. Senator Lloyd Ber sen from Texas is running low-risk campaign, sitting o the early primaries but ende vouring to present himself a middle-of-the-road southe alternative to either Governo Carter or Wallace. He is we in his home State, howeve Messrs. Shriver, Shapp and Sa ford make up the pack, strapped for funds, like some their colleagues, all bare organised.

## Staggering complexity

The only consolation surveying this field of stagge ing complexity is the knowled that by April 6, when Ne York and Wisconsin hold pr maries, a lot of the straggle will have fallen by the waysid But even then we may not that much closer to known who will run against whom November. After all, on Sund morning, the bookmakers we saying that Pittsburgh would playing Los Angeles in t Super Bowl: but Dall destroyed Los Angeles on Su day afternoon. It may be th kind of year.

# MEN AND MATTERS

## Are accountants getting set for action?

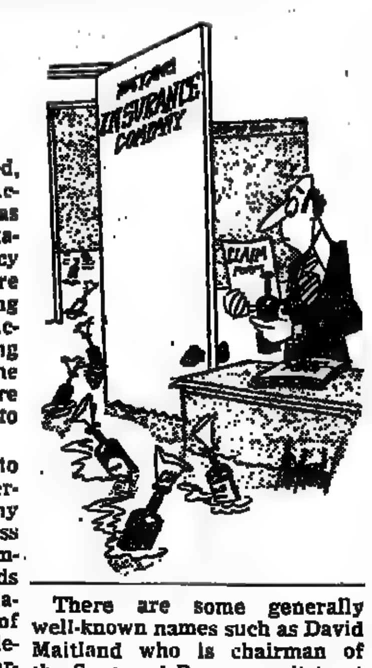
The next sentence, be warned, is complicated. An Inflation Accounting Steering Group has been appointed by the Consultative Committee of Accountancy Bodies to prepare an exposure draft on current cost accounting which it will present to the Accounting Standards Steering Committee. But having got the scenario out of the way, there are some interesting points to be made.

These convolutions seem, to me at least, to involve a certain reluctance to take any direct action fast, and the Press release announcing the members of the steering group adds to an already confused situation. Item 1 of the terms of reference for the group demands that it should put forward draft proposals for application of the Sandilands Committee report on inflation accounting "with a view to the implementation of those proposals in company accounts for periods beginning after December 24 1977 if that proves feasible."

Action? Not necessarily. Later the release states that "costs are estimated at about £150,000 per annum for up to three years." Simple arithmetic dictates that takes us well beyond December 24 next year.

The official explanation is that the early deadline means a rush job, so that the group will have an on-going job refining, and if necessary producing a Mark II set of proposals.

The final membership of the 12 man group, headed up by Douglas Morpeth of accountants Touche Ross, is apparently a well balanced mixture—as one might expect from the sort of in-fighting which has been going on behind the scenes.




There are some generally well-known names such as David Maitland who is chairman of the Save and Prosper unit trust group and Sir Ian Morrow of Rolls-Royce (1971) fame, but also some who are less in the public eye. One of the most interesting appointments however probably falls half way between the two: Ian Davison, 44-year-old managing partner of accountants Arthur Andersen.

Although Andersen is one of the biggest firms of accountants internationally it has only been represented in London since 1957, but Davison has already managed to secure a good number of government appointments for the firm in face of competition from much longer-established firms whose partners are firmly entrenched in the City network.

For example, Andersen won government appointments for a review of Stage II of the Price Code, plus assignments on the Health Service and the police. Davison himself has obtained two other appointments of importance in the past 12 months. Last January he was appointed as a Department of Trade Inspector to John Stonehouse's London and Capital Securities, and in May he was elected to the Council of the Institute of Chartered Accountants in England and Wales—coming third in the poll.

His nomination to the new steering group at the request of Mr. Peter Shore, Secretary for Trade and Industry, is seen as significant in accountancy circles. Arthur Andersen has been in the van of supporters of the current cost accounting system proposed by Sandilands, and Davison will undoubtedly be a strong advocate of full implementation of the Sandilands proposals rather than any watered-down version.

## Selling but staying friends

"The rewards will in future not be through actual profits but through the spin-offs from the association with Merrill Lynch." Thus Peter Dunn, chairman of Brown Shipley and Company, the London merchant bank, yesterday explained the run-down to 5 per cent. of his group's holding in a company that three years ago started as a 50-50 partnership with the world's largest securities firm.

Originally, the publicity blurb for the cumbersomely-named Merrill Lynch-Brown Shipley Bank talked about a "full range of international financial services to commerce and industry." That sounded fine, but could not have anticipated the turmoil which later hit the international financial system. Merrill Lynch's ideas about the venture changed, and, as Dunn said, a "modest" banking concern looked increasingly out of place.

"The original concept," he added, "was to grow fairly slowly." Merrill Lynch decided instead that London would be the focus of its increasingly important international work which has lessened dependence on American brokerage. MLBS would play a central part in the expansion programme which has included the shift of the U.S. company's Eurobond trading centre from Geneva to London.

Brown Shipley is respectably old (started 166 years ago and descendants of Alexander Brown still control it) but relatively modest in its own league with group assets around £150m. As for MLBS, Brown Shipley was in an odd position. If the joint company was to have accelerated growth, the merchant bank was understandably unable to match the muscle of Merrill Lynch and its total assets of more than $4bn.

In 1974, Brown Shipley cut its MLBS stake from 50 to 20 per cent. as Merrill Lynch injected more capital. Now the merchant bank collects £807,702 cash for selling 19 per cent., a shareholding which contributed only £23,000 to Brown Shipley's 1974 net profit of £1,245,000.

Dunn remains on the MLBS Board, happy that his company's 5 per cent. holding ensures continuation of a special relationship with the "very, very friendly worldwide organisation" that is Merrill Lynch. No doubt ML will be pleased to at retaining a friendly accepting house contact as it prepares to raise from some £4m. to £6.5m. the capital of what will in future be the prosaically-titled Merrill Lynch International Bank.

## Toothsome

Thoughts for suitable films to double-feature with Jaws: Guess Who's Coming to Dinner—or Farewell to Arms.

***Observer***

Thorn, the last British-owned colour television tube manufacturer, yesterday pulled out of the industry. **Arthur Sandles** reports

# Autumn's prophecy is January's bad news

SOME very hard talking went on behind the scenes before the Government decided to bid farewell to a British-owned colour television tube industry. Thorn's decision to pull out of the business leaves the field to Mullard, a subsidiary of Dutch-based Phillips, although there is hardly likely to be much throwing of caps in the air in Eindhoven as a result. Mullard, like Thorn, has been working at considerably below economic levels for some time. Even if it were able to pick up all the business that Thorn leaves behind, which is unlikely, it would still not be thriving. Thorn has said that its own demand for tubes will be met from the open market from now on; that open market is likely to include the Japanese, U.S.-owned RCA, (with which Thorn has technical links), and Mullard. Could the gamekeeper be about to turn poacher?

Over the past months there has been any amount of wheeling and dealing while ways of saving U.K. colour tube production were considered. At every new turn the basic facts proved the major blockage. Britain has the capacity to *produce* 2m. colour television tubes a year. Britain *bought* 1.6m. colour television sets last year.

## Block

That more than half those sets had imported tubes in them is arguably academic. A complete block on imported tubes at any stage over the past 12 months would have eased the situation considerably but would still have left the tube makers with surplus capacity.

There are many parallels with the motor industry saga over the past few years. Britain's colour tube capacity was planned at a time when it seemed that the nation was going to rush into the multi-hued entertainment late 70s. It was thought that the U.K. might need between 2.5m. and 3m. colour sets a year and that once saturation was reached demand would be maintained by consumer thirst for new models as replacements or second and third units, in much the same way as has happened with radio.

The market began to falter as the economy took a turn for the worse. The coffin lid was slammed down by the re-introduction of credit restrictions in December 1973, and the nails hammered home with the introduction of 25 per cent. VAT in the spring of last year. The industry quickly discovered that while television might be regarded as a necessity to-day (penetration is about 95 per cent.) colour television is still regarded as a luxury. Families have been content either to put up with their old monochrome sets, or to replace them with new black and white units.

Although there has been a marginal recovery in the market over the past few months, a recovery which may by helped by a gentle relaxation of the hire purchase/deposit regulations, this has not been enough to produce much excitement in the industry. The BBC, in its recent estimates (it prepares figures because of the money it collects from licences) suggested that 1976 might only be the same as 1975 in terms of colour set sales in the U.K. and Thorn is talking about the need for 1.3m. in 1976, compared with 1.6m. last year.

For the Government the difficulties were obvious. Committed to a policy of avoiding trade restrictions it could not restrict imports from Japan without some valid reason. For a time there were attempts to find this reason. Close attention was paid to the price at which Japanese tubes were being sold in this country (less than £40 a time when things came to a head in the autumn) and attempts were made to show that this was dumping. As it turned out the Japanese appear to have shown that they could make a nice profit at this price and the allegations were quietly dropped. Instead, Tokyo promised to slow things down a little after a visit from British Trade Secretary, Mr. Peter Shore, and then the British announced a monitoring system immediately prior to Christmas which will give a week-by-week indication of the actual price levels of Japanese tubes coming into the country.

> '. . . If a viable picture tube industry cannot be maintained in the U.K., then the set makers will be in the hands of their major overseas competitors . . . and their survival in the long term would be seriously endangered'
>
> —*National Economic Development Office, October, 1975*

> '. . . Thorn Colour Tubes has reluctantly decided after the failure of lengthy investigations and representations with Government departments to withdraw from the colour picture tube business'
>
> —*Thorn Electrical Industries, January, 1976*

But the television tube industry has needed something rather more dramatic than this to save it for some time. The industry is capital intensive—unlike set-making which is a labour intensive assembly-job—and a long period of unused capacity rapidly produces heavy losses which cannot be reduced by redundancies to the same extent as in other businesses.

By August of this year it was clear that industry and Government combined had to find a way of coping with the losses (Thorn alone lost £4.6m. to March of last year and it would have been more in the current 12-month period if closure had not been decided upon): or had to stimulate demand in order to take up the slack; or had to opt for a gentle stimulation of demand combined with a crack-down on imports. For various reasons all these options were rejected. There is some feeling that perhaps the fact that television's labour force is predominantly female and, until now, has failed to show any particular political push, had something to do with the decision to let Thorn's tube-making go.

Of course, there is the argument that colour television is a candy-floss industry and therefore not particularly important to the wider economic realities. However, as the Electronics EDC delegation told the Industry Secretary, Mr. Eric Varley, a couple of months ago, colour television is simply the consumer tip of a large electronics iceberg. A healthy domestic electronics business is of considerable help to the capital electronics side. Both industry and defence make widespread use of electronics products which are frequently spin-offs from consumer-orientated research and are sometimes less expensive when there is a consumer arm to carry some of the overhead. The delegation told Mr. Varley: "The large scale of production of some components made possible by the demand from the consumer sector leads to low production costs which are also to the benefit of the electronics capital goods sector." And it went on: "Investment in component manufacture in the U.K. would be discouraged by the absence of sound consumer market."

While industry tended to mutter into its beard and place trust in "private" discussion with Government for much of the year, Mr. Frank Chapple, the Electrical and Plumbers' trade union chief, was less shy. He lambasted the Civil Service for a lack of understanding of industry, talking of "frosty ignorance." His view of the wider implications was that Whitehall and Westminster had not seen the full horror of the position.

High volume demand for domestic electronics, he argued, were vital because "they maintain a high level of component supply which assists the electrical industries in preventing this country from turning into a nation of assembly lines and nothing else. The component manufacturers, often unknown by name to the wider public, use the volume demand of our industry to finance the expensive research and development that is so important for the country's economic future. This R. and D. is also vital to the country's defence capability in sophisticated weapons. Without their contribution our imports of defence equipment would soar, and our very independence as a nation would be undermined."

## Alternative

Of course, Thorn is not the first to throw in the towel. Earlier Pilkington, which had seen a bright future for television tube glass, had spent £4.7m. in setting up what was regarded as the most modern tube-glass plant in Europe, and then last year said it was closing and would not restart. This put Thorn firmly into the hands of rival Mullard, the only remaining home-based maker of suitable glass, with the alternative of looking to France or Germany.

For a time the Government tinkered with the idea of encouraging Thorn, Mullard and Pilkington into one big tube-making group, but this too was abandoned as too complex a task.

Unless the Government has some spectacular plans for Mullard the British domestic electronics industry is not going to be very well placed should the economy start to recover. Without substantial investment Britain will have the capacity to produce something over 1m. colour television set tubes a year. With demand running at, say, 2.5m. sets a year in 1978 this means a commitment to spend (at present prices) some £80m. a year on tube imports, most of this probably from Japan. It also means that much of Britain's television industry becomes simply an assembly line job which again will need either heavy investment in capital equipment, or low wages, in order to make it viable.

If all this sounds over dramatic it is worth noting that it has happened in radio already. In 1960 Britain had a healthy radio export market and imported only four per cent. of needs. By 1974 the import share of the market had risen to 88 per cent.

The Government still has a little room for manoeuvre. Although Mullard is foreign-owned it at least operates in Britain, and the ownership is EEC. Obviously Philips is going to need a little bit of encouragement if it is going to prepare itself alone in order to meet any future demand. One of the things it might ask is that whatever policy is decided upon for the future it becomes a long-term policy. In recent years Chancellors have made 47 changes in Purchase Tax, VAT, hire purchase and rental deposit regulations on 31 separate occasions. Under these circumstances the industry has shown itself unwilling to leap too quickly into any boom—a reason for the high level of imports at various times in the past. That it took the plunge this time is remarkable, and it has suffered in consequence.

It is interesting to note that one of those who did speak out last year in criticism of the Government was Mr. Jack Akerman, managing director of Mullard. He said: "Unless action is taken immediately the British TV industry will be dead within 12 months."

That was in September.

# Letters to the Editor

## Managerial unions

*From The General Secretary, Steel Industry Management Association.*

Sir,—I have noted with considerable interest the stories by Roy Rogers on December 16 and 29. I suppose that it might be some form of compliment that the name of my association should be adopted by the Press as a generic title for a particular group of managerial trade unions. But there is a fallacy in correlating SIMA with the new managerial trade unions in the shipbuilding and the aerospace industries.

I cannot speak for either the British aerospace Staff Association or the Shipbuilding and Allied Industries Management Association. I had not heard of the former until I read your columns of December 29. So far as the Association of Shipbuilding Managers is concerned, it is true that early in 1975 managers at some yards in Scotland and England approached SIMA for advice on how to set up their own trade union. SIMA welcomes such realisation by managers of the need for organised and skilled representation in promoting or defending their interests. But I have had no contact with SAIMA since it was set up. The fact that a former assistant general secretary of SIMA has taken post as its general secretary is simply a coincidence despite the comments on December 16. My former colleague holds that he was "head-hunted": my view is that he was poached.

I would also like to make it clear that while SIMA maintains relationships with similar trade unions, within and outside the TUC, it has always eschewed any contact with either the Confederation of employee organisations or the organisation carrying the title of IMPACT.

The essential consideration is the matter of who is barring whom. So far as SIMA is concerned, it was the TUC which slammed the door with a decision by the general council in February, 1969, to endorse that SIMA has no valid claim to be recognised as a trade union representing British Steel Corporation managers. This decision was virtually a proscription of SIMA, made in our absence, and before we had approached the TUC about possible affiliation. It is relevant that the York annual delegate conference of my association in October, 1974, carried a resolution, by 92 votes in favour, no votes against and six abstentions, that SIMA should apply for affiliation to the TUC. (At the same conference, another resolution was carried overwhelmingly that the national recognition rights of SIMA should be protected by any means, including industrial action if this became necessary.) But of course an approach to the TUC by SIMA for direct affiliation is impeded by the proscribing decision.

SIMA holds national and local representation agreements in both public and private sectors of the steel industry for some 12,500 managers of all professions and in all ranks from second-line supervision to works general management. We have grown self-reliant in defending our recognition rights and in fending off a running series of industrial actions by TUC-affiliated unions seeking to deprive us of these recognition rights. It is true that we have responded to an invitation by the Iron and Steel Trades Confederation to explore, without commitment at this stage, the possibility of a new form of unification of those unions whose members are entirely drawn from the steel industry.

It is a piece of nonsense that the SIMA case cannot be examined on its own merits and on the record of its achievements as a bona fide trade union over the years. I am sure that the general membership would support a direct affiliation to the TUC; for one thing, we would want to take our rightful place in the generation of policy and in the stream of thinking and activities which the TUC undertakes; for another, we want to be able to influence the negotiating policies of the TUC Steel Committee unions who hold back our achievements; they represent clerical and supervisory staffs employed by BSC, and they tend to put the brake on SIMA through differentials to their own, more limited negotiating performances.

Robert A. Muir,
*Rigby House,*
*34, The Parade,*
*High Street,*
*Watford, Herts.*

## Long-term interests

*From Mr. W. Houlihan*

Sir,—Who would disagree that the present marketable Government debt structure is highly unsatisfactory and the cost of servicing it potentially ruinous?

Forecasters are almost all in agreement that the rate of inflation will fall sharply through 1976. As the potential rate at which Government debt will be monetised is going to be high and rising over the next few years, and is the major factor in the equation used to forecast the likely rate of inflation in the late 1970s, then the solution is to reassure those taking up long-term debt that the rate of monetisation will be limited in some way. For the time being, and until the debt structure has the appropriate profile, debt could be converted on maturity into long-term indexed bonds. In the circumstances of falling rates of inflation the fears of those who hold or are tempted to hold long-term debt would be allayed. The Government would solve the problem of restructuring its debt and the long-term rate of interest would certainly fall.

If this action were to cause a general decline in the interest rate structure, then the stage would be set for a revival in the corporate debenture/loan market.

W. J. Houlihan.
*20, Richmond Court,*
*Queens Road,*
*Kingston, Surrey.*

## Very little difference

*From Mr. Douglas Jay, MP.*

Sir,—Mr. Schattmann (December 23) gives most interesting figures of comparative working time needed in the U.K., Germany and Sweden for a male worker in manufacturing industry to earn enough to buy a given physical amount of food, clothes etc. This is a valid method of comparing standards of living and Mr. Schattmann's figures substantially confirm the very truth I was expressing: that even in 1975 and even compared with countries with the highest standard of living of all (Germany and Sweden) the difference is not so great.

Mr. Schattmann's figures show that the British worker has to work a shorter time to buy a steak than the Swedish; the same time as the German to buy flour; less time than the German or Swedish to buy butter; less time than the German to buy a suit; only a little more than either to buy shoes; and only materially more than both to buy a refrigerator.

This precisely confirms my argument in my article of December 2 that, taking consumer goods as a whole, there is not much difference—contrary to all the statements which are frequently made.

Douglas Jay.
*House of Commons, S.W.1.*

## Aid for the Parties

*From Mr. V. Linacre.*

Sir,—It is not surprising to read Professor Richard Rose's advocacy (December 29) of a compulsory subsidy for the political parties at the taxpayers' expense. The most depressing feature of this utterly depressing suggestion is that it is almost bound to be implemented, without public consultation, because pressure by academics will become irresistible to the all-too-amenable MPs; and once introduced on a modest scale the practice will be permanently established and extended over the years until the voluntary principle—which is so vital to democracy—has been virtually eliminated from popular support for Parliament. The larger the State grant the easier for a party to sever connections with the grass roots and concentrate power at headquarters.

Trade unions will certainly not object; for once this principle is entrenched the next step will be for academics to make out an equally plausible case in favour of subventions out of taxation towards unions' expenses, ostensibly to promote industrial democracy but actually to relieve their leaders' dependence on contributions from the rank-and-file.

If a major party cannot raise a paltry £500,000 extra income (equivalent to a mere 10p per head per annum from only 5m. voters) it cannot claim to govern the country. How can a bankrupt party offer solutions to the nation's economic ills? To seek an allocation from public funds for such a purpose in the present crisis is unconscionable.

Confronted with increasing public apathy and disillusionment towards Parliament—resulting from the shift of power away from the legislature to the expanding apparatus of agencies, boards and commissions, and the trade unions—does Government decide to take remedial measures to reverse the trend? No! Instead it will accelerate the trend, completing the vicious circle by ensuring that, if people are not sufficiently interested in the parties to sustain them freely, then people must be forced to sustain them by taxation.

V. T. Linacre,
*11, Park Road, East Grinstead, Sussex.*

## Routes for roads

*From Mr. A. Watkinson.*

Sir,—It is good to see the letter from Mr. Andrew Warren (January 3) in which he explains the urgent need for new roads in London and other parts of Britain.

He concludes by saying that some £450m. of taxpayers' money is being ploughed into our deficit ridden railways. A method of transport which takes just 10 per cent. of freight and 8 per cent. of passenger movement. Surely the time has come to convert many of the splendid routes at present monopolised by a few trains into the roads we so urgently need.

An ideal railway for conversion would be the former Midland line with its large London terminal at St. Pancras next door to Kings Cross. This would accommodate a long distance bus station as well as giant car parks, and as the Midland line runs adjacent to the M.1 at several points on its way north, it would enable M.1 traffic to run directly into St. Pancras.

A. J. Watkinson.
*3, Otley Road, Harrogate, North Yorks.*

## Construction priorities

*From The Chairman, Hill Construction Co. (Engineers)*

Sir,—I refer to the statement on New Year prospects for the construction industry by Ernest Smith, president of the National Federation of Building Trades Employers (December 31). Mr. Smith rightly highlights the extent of the 1975 building recession and is far from optimistic about prospects for 1976.

May I echo Mr Smith's call for a programme of reflation for this industry. We are not asking for hand-outs, merely the opportunity to contribute to the creation of wealth for this nation.

Increasingly, one feels that those of us who can contribute most to the recovery of the economy are having to struggle against considerable odds—not from competition, which we welcome, but from Government policy which seems to give little priority to encouraging investment in industry.

Dudley V. Hill,
*Woodside Road,*
*Eastleigh, Southampton.*

## Direct debits

*From Mr. K. Monroe.*

Sir,—Mr. Stratton (December 29) refers to errors caused by direct debits. I never sign a direct debit but recently it has come to my attention that some otherwise reputable clubs will not accept new members unless they agree to pay their subscription by direct debit. I can only hope that they do not get any new members.

K. R. Monroe.
*Harley Buildings,*
*11, Old Hall Street,*
*Liverpool.*

## Jargonese for all

*From Mr. J. Prentice*

Sir,—Lombard's imaginary speaker (December 30) would never carry conviction. The reason for omitting "an answer to this overriding cultural challenge" must surely be that "his cohorts were carrying out an in-house study, without which basic synergy no fundamental empathy could be envisioned."

J. Prentice.
*29, Wilton Row,*
*London, S.W.1.*

## Speeds on the roads

*From Mr. W. Napthine.*

Sir,—As a follow-up to the admirable article by Joe Rogaly (December 24), why don't we seize the opportunity afforded by metrication?

| | kph | (mph) |
|---|---|---|
| Motorways ...... | 100 | (62) |
| Other roads ... | 80 | (50) |
| Towns, etc. ...... | 50 | (31) |

W. Napthine.
*14, Narcissus Road, N.W.6.*

# To-day's Events

**GENERAL**

Mr. Anthony Wedgwood Benn, Energy Secretary, in Iran for talks following recent Paris energy conference.

Mr. Peter Shore, Trade Secretary, continues visit to India.

Lord Goronwy-Roberts, Minister of State, Foreign Office, continues visit to Brunei.

Election of new Stock Exchange chairman.

Joint talks begin between Chrysler management and unions on operation of redundancies.

Iron and Steel Trades Confederation national executive meets.

Sir Campbell Adamson, CBI director-general, speaks at its London and South East Region annual lunch, Cafe Royal, W.1.

International Accounting Standards Committee expected to issue draft discussion document on inflation accounting.

Sir Lindsay Ring, Lord Mayor of London, attends Weavers Company dinner, Vintners Hall, E.C.4.

**OFFICIAL STATISTICS**

Provisional figures of vehicle production and estimates of new car registrations (December—provisional).

**COMPANY RESULT**

Wilkinson Match (half-year).

**COMPANY MEETINGS**

Bellway, Newcastle upon Tyne, 11.

Higsons Brewery, Liverpool, 12.

**EXHIBITIONS**

International Boat Show, Earls Court.

Camping and Caravan Exhibition, Olympia.

Brighton Gift Fair, Metropole Centre.

**OPERA**

English National Opera production of The Rhinegold, conductor Charles Mackerras, Coliseum Theatre, W.C.2, 7.30 p.m.

D'Oyly Carte production of The Mikado, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

**BALLET**

Royal Ballet: Margot Fonteyn and Rudolf Nureyev dance Romeo and Juliet, Covent Garden, W.C.2, 7.30 p.m.

London Festival Ballet dance The Nutcracker, Royal Festival Hall, S.E.1, 7.30 p.m.

**MUSIC**

Alan Oke (baritone), Derek Clark (piano) and Paul Gregory (guitar) in programme of works by Berkeley, John Weeks, Musgrave, and Britton, Purcell Room, S.E.1, 7.30 p.m.

Robert Wooley gives harpsichord recital of works by Bach, Couperin, Duphly, Frescobaldi, Rameau, and Sweelink; Wigmore Hall, W.1, 7.30 p.m.

**SPORT**

Tennis: British junior covered courts championships, Queen's Club.

# COMPANY NEWS + COMMENT

## AVP forecasts advance to over £4.7m.

TAXABLE profits of the AVP Industries group—property investment and development, manufacturers and contractors, hôteliers and distributive interests—for the current year to March 31, 1976, are expected to be not less than 12.5 per cent. above the £4.21m. achieved in 1974-75, says chairman Mr. Harold H. Poster, in his interim statement.

This would give a minimum total of over £4.72m. Last year's figure was a record and itself an increase of 16.56 per cent. over the previous peak of £3.61m. in 1973-74.

In his annual review last September Mr. Poster said that turnover and profits for the first four months of this year had shown satisfactory increases, and he expressed his confidence of a continuance of that trend.

He now reports that, in spite of the limitation on profit margin's consequent upon price control, profits for the first six months at £2.04m., were 12.58 per cent. higher than for the corresponding previous year period.

The second interim dividend is 0.65p net per 25p share, against 0.67p, equal to an unchanged 1p per share gross. Last year's net total was 2.405p paid from stated earnings of 11.27p.

| | First half 1975 £ | 1974 £ |
|---|---|---|
| Turnover | 10,885,109 | 9,430,332 |
| Profit | 2,041,416 | 1,813,261 |
| Corpn. tax | 1,057,000 | 863,000 |
| Attributable | 984,416 | 950,261 |
| Interim net | 124,158 | 127,978 |

### ● comment

AVP is still moving forward smoothly enough. Property is ticking over, 90 per cent. occupancy rates at the London hotel are keeping the service operations ahead and there has been some volume growth in office furniture. Next month the two Midlands hotels come on stream to swell the number of beds in the group by roughly a third. But over the past year the shares have only moved in line with the market; one explanation may be AVP's apparent balance sheet puzzle. In the two years to March 1975, group gross fixed assets rose by £6.3m., depreciation and retentions over the period totalled £3.3m. and borrowings actually declined. A rise of £2m. in creditors last March helped keep the group borrowing ratio to 43 per cent. of shareholders funds; and AVP claims currently to be still free of balance sheet strains. As for the shares, they yield 6.3 per cent., covered 4.7 times by 1974-75 earnings.

Statement this Page

## HIGHLIGHTS

Lex discusses the implication of Thorn's announcement to withdraw from the colour tube business and close the business at Skelmersdale, along with the interim figures from Allied Retailers which show recovery plus strong volume, together with a forecast of £3m. for the year. Elsewhere, AVP has been bolstered by a high occupancy rate in its London hotel along with some volume growth in office furniture. The Redman Heenan report implies that the company is looking for something extra this year despite a smaller order book.

## Allied City Share Trust

Shareholders of Allied City Share Trust are told that the directors are doing "everything in their power" to ensure that audited accounts for the year to March 31, 1975 are available as soon as possible.

During September, the company acquired a further 5,000 M. P. B. Russell and Co. Ordinary shares for £8,200 and now holds 49 per cent. of the capital.

Existing option arrangements were extended to enable Allied City to enlarge its holding in Russell to 62 per cent.

Cost of exercising the option—not later than June 30, 1977—would be £35,000.

## Bishopsgate Property setback

INCLUDING the share of all associates loss of £533,696 compared with a surplus of £373,883, Bishopsgate Property and General Investments incurred a net deficit before tax of £487,874 in the year to June 30, 1975, against a surplus of £1.45m. previously.

There is no dividend, compared with a total of 3.8p per £1 share previously.

Net asset value at June 30 was shown at 97p compared with 140p per share.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| Group revenue | 1,749,463 | 2,229,267 |
| Int. & man. expenses | 1,703,641 | 1,132,541 |
| Share associate's loss | 533,696 | *373,883 |
| Net loss before tax | 487,874 | *1,450,631 |
| Tax recoverable | 62,544 | †149,418 |
| Minority loss | 3,440 | *153,547 |
| From capital reserve | — | 120,814 |
| Extraord. losses | 376,085 | — |
| To capital reserve | 701,642 | — |
| Net deficiency | 338,643 | *[illegible] |
| Dividends | — | 399,238 |
| Forward | 473,025 | 1,004,368 |

* Surplus. † Payable.

## General Stockholders

With no borrowing in foreign currencies—gearing being provided solely by preference and debenture issues—and the international spread of the portfolio, a "reasonable performance" should be assured at The General Stockholders Investment Trust, according to Mr. M. H. R. Govett, chairman, in his annual statement.

As known, total income rose from £0.29m. to £0.31m. in the year ended October 31, 1975, and the amount available for the Ordinary from £88,839 to £103,794. For this reason and to facilitate the changeover to declaring the dividend in July, a special interim dividend was paid, making a total of 1.125p (0.85p).

Mr. Govett says that an increase of this order cannot be expected this year, as the reinvestment of liquidity, which has been earning a high rate of interest, has reduced potential revenue, particularly under the present conditions of dividend restraint.

At October 31, 1975, The Stockholders Investment Trust held 27.9 per cent. of the 5¼ per cent. Cumulative Preference £1 shares and 62.7 per cent. of the Ordinary 12½p shares.

## Birmingham Pallet downturn

SECOND half profits of Birmingham Pallet Group declined from £231,119 to £147,340, giving a "slightly better than anticipated" year-end total to October 31, 1975 of £278,340, compared with £366,119. At halfway the directors expected results in the second six months to be lower than the first.

Stated earnings per 10p share after 12 months are 12.8p, against 16.78p, and the dividend total is being raised from 4.7486p to 5p net, with a final of 3.5p.

| | 1974-75 £ | 1973-74 £ |
|---|---|---|
| Turnover | 2,118,307 | 2,530,931 |
| Profit before tax | 278,340 | 366,119 |
| Tax | 147,678 | 198,443 |
| Net profit | 130,662 | 167,676 |
| Dividends | 31,019 | 47,486 |
| Retained | 79,643 | 120,190 |
| Carried forward | 517,195 | 437,532 |

### ● comment

As expected, profits for Birmingham Pallet Group fell sharply in the second half (36 per cent. down on the comparable period) leaving the figure 24 per cent. lower on the year. The 16 per cent. fall in turnover reflected both a fall in consumer demand for electrical and television control knobs produced by the ERI subsidiary and a slump in capital investment affecting the pallets side. Untroubled at present by either stock level or liquidity problems, the group expects to pass 1976 ticking over ahead of a possible recovery in 1977. The shares were unchanged at 55p yesterday (in a very thin market) where the yield is 15 per cent. covered 2½ times.

## £3m. seen by Allied Retailers

A SHARP jump from £1.86m. to around £3m. in group profits is foreshadowed by the carpet and furniture concern, Allied Retailers, for the current year.

In the first 28 weeks ended October 11, 1975 profits have almost trebled from £518,160 to £1,461,141 on a turnover (net of VAT) some £8.6m. ahead at £19.4m. The higher levels of turnover are continuing.

In his annual statement, chairman Mr. H. Plotnek reported that turnover and profits for the first quarter showed a considerable increase over the 1974 period, and he expected the half-year profit would be a record. And, despite indications of a reduction in consumer spending, he hoped that the year's results would also be at a peak level.

First-half earnings per 10p share are stated to be up from 3.05p to 8.6p. The interim dividend is lifted from 1p to 1.6p—the previous total was 4.4174p.

| | 28 weeks 1975 £ | 1974 £ |
|---|---|---|
| Turnover | 19,390,779 | 10,774,963 |
| Profit | 1,461,141 | 518,160 |
| Taxation | 789,000 | 280,000 |
| Net profit | 672,141 | 238,160 |
| Extraordinary credit | 37,581 | — |

The profit is shown after transferring to unrealised gross profit reserve £76,968 (£185,113 from reserve). The cost of interim dividend will be £125,052 (£78,157).

See Lex

## Expansion for Powell Duffryn

The tanker broking activities of London-based Gueret, Llewellyn and Merrett (1951), part of the Powell Duffryn Group, are to be expanded in France through the formation of a new company with offices at Velizy, near Paris.

The new company—G. L. M. France—which begins operation this month is a subsidiary of Societe Europeenne Powell Duffryn, which co-ordinates development of group activities in Europe.

Its main activity will be chemical tanker broking, in which GLM are international operators. Mr. C. Foot, SEPD's president directeur general, is chairman.

Mr. M. Watkins, managing director of GLM in the U.K., said yesterday "We are sure there is great scope for developing our tanker broking activities in France and there are obvious advantages to having our own company on the spot."

Mr. Harold Plotnek, chairman of Allied Retailers.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Allied Retailers ......int. | 1.6 | Feb. 23 | 1.0 | — | 4.42 |
| AVP Industries ...Sec. int. | 0.65 | April 1 | 0.67 | — | 2.41 |
| Birmingham Pallet ......... | 3.5 | March 1 | 3.25 | 5 | 4.75 |
| Bishopsgate Prop. ......... | Nil | — | — | Nil | 3.8 |
| Stanneylands .........int. | 0.7 | — | 0.7 | — | 2.77(a) |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) 17½ months to March 16, 1975.

## Income up at Trustees Corporation

Gross income of The Trustees Corporation improved slightly from £1.23m. to £1.31m. during the half-year to November 30, 1975, and, after expenses and tax, the amount available for Ordinary holders was £0.53m., compared with £0.52m.

For the full year 1974-75 the figures were £2.48m. and £1.03m. respectively.

| | Half-year 1975 £ | 1974 £ |
|---|---|---|
| Franked income | 778,476 | 691,617 |
| Unfranked | 326,676 | 336,193 |
| Total income | 1,305,952 | 1,227,810 |
| Expenses | 435,447 | 388,735 |
| Taxation | 321,967 | 309,091 |
| Pref. dividend | 13,781 | 13,781 |
| Available Ord. | 533,857 | 516,213 |
| Interim div. | 336,400 | 336,400 |

A maintained interim dividend of 1.2p net has already been announced. Last year's total was 2.95p.

Net asset value per 25p share at November 30, 1975, was 144.4p, compared with 142p at May 31, 1975, including full investment currency premium amounting to 13.3p per share (18.1p).

The contingent currency premium loss on sales is 3.3p per share (4.5p) and for tax on capital gains 7.7p (6.9p).

## British Steel Constructions

Faced with liquidity problems which have led the company not to pay the interest on its 8¼ per cent. partly convertible unsecured debenture stock on the due date December 31, 1975, British Steel Constructions intends to submit a scheme for reconstruction of the share and loan capital.

The company said yesterday that the loan stock trustees, Law Debenture Corporation who have been independently advised, had continually agreed would not for the time being exercise their rights in consequence of the non-payment of interest, pending the outcome of certain negotiations.

Last March, BSC reported the first overall return to profits since 1968. It is thought, however, that subsequent trading in the year to October 1975 may have resulted in losses being incurred again.

Last month the Board asked the Stock Exchange to suspend its quotation pending submission of the reconstruction scheme.

## Stewart Wrightson in Nigeria

Stewart Wrightson, international insurance brokers, in association with Nigerian and West German interests, have formed a new broking company in Lagos.

The new company, Ark Stewart Wrightson Nigeria, is owned 51 per cent. by Ark (Brokers) and the balance by Stewart Wrightson, L. Funk and Sohne, and Funk Stewart Wrightson (International) GmbH.

It will develop the considerable business in Nigeria already handled by the respective partners.

Messrs. F. A. M. Bray, M. F. L. Oxlade and M. Caley of Stewart Wrightson are among the directors of the new company, the formation of which means that the Stewart Wrightson Group now has offices in 24 countries.

## Midterm loss at Hawley-Goodall

Manufacturers of camping equipment, etc., Hawley-Goodall Group reports a loss of £28,000 for the first half of 1975 compared with a profit of £24,343 before tax of £12,658. For all of 1974 there was a deficit of £98,742.

Under the circumstances, the Board is unable to recommend payment of an Interim Ordinary dividend and proposes to defer payment of the December 1975 Preference dividend until a later date. The last Ordinary payment was 0.1005p net for 1973.

The directors state that although they will not be able to show a profit at the year-end, with tighter financial controls now established and stocks considerably lower, they are confident that 1975 will prove to have been a turning point in the group's history, and they are looking forward to a profitable 1976.

## Brockhouse expects higher profit

A PROFIT increase approaching 20 per cent. is foreshadowed by Mr. Arthur Chamberlain, chairman of J. Brockhouse and Company, for the current year, provided there is a pick-up in trade by the early summer months. Sales are not expected to be greatly different from last year.

The group has now got "its house in order." Activities most likely to hinder future progress have been "purged, pruned or eradicated" and the financial outcome has been closure costs of some £½m. The chairman says the group is now ready as never before to take advantage of any increased activity that may arise.

As reported, group pre-tax profits in the year ended September 30, 1975 showed a reduction of 10.6 per cent. to £2.7m. despite a sales rise of 18 per cent. to £57m. The net dividend is raised from 11.055p to 11.7975p.

During the year the group spent £1.6m. on new plant; in addition it has placed or will be placing orders totalling £3.6m., some £3m. of which will be delivered in 1977.

A source and application of funds statement shows that there was an increase in net liquid funds of £2.59m. compared with a decrease in the previous year of £1.08m. At September 30 bank balances had risen to £1.04m. (£0.14m.) while overdrafts and acceptances had been reduced from £3.89m. to £2.05m.

A professional valuation of U.K. freehold properties and those of certain overseas subsidiaries has thrown up a surplus of £3.57m. over net book value which has been credited to reserves.

The annual meeting will be held at West Bromwich on January 29 at noon. It is proposed to change the company's name to Brockhouse, and also to convert the £1 shares into 25p shares.

### SHARE STAKES

Coated Metals (Holdings)—Rosendale J. W. Investments and associates now hold a total of 190,000 Ordinary shares.

Sheerwood Trust, a subsidiary of Central and Sheerwood, bought 2,000 Robert R. Stockfis (Manchester) on December 22 and is interested in 377,829 shares (58.93 per cent.).

Danae Investment Trust has received notice from Preferential Growth Trust that, as a result of the sale of 1,276,500 Income shares, Preferential is now no longer interested in more than one-tenth of the nominal value of the Income share capital.

Notice has also been received from London Trust that subsequent to its recent purchase of 1m. Income shares, its holding in Danae represents 14.28 per cent. of the nominal value of the Income shares, 7.14 per cent. of the voting rights and 11.90 per cent. of the total nominal value of the issued share capital.

Transport Development Group has purchased a further 30,000 Ordinary 2in H. Cox and Son (Plant Hire) and its total holding is now 1,242,600 shares (25.9 per cent.).

Jevons Cooper—Mr. Stanley Jevons has sold 220,000 Deferred shares (12.94 per cent.).

HTV on December 8 bought 45,000 Frost and Reed (Holdings) Ordinary increasing its holding to 360,297 shares (25.88 per cent.).

Interests of Slater Walker Securities and its subsidiaries, etc. in Dorada Holdings at May 15 1975 totalled 836,000 Ordinary shares (20.71 per cent.). This is not a disclosure under the Companies Act.

## Better first half for Samuel Heath

Reflecting a steady improvement in the level of business, taxable profit of Samuel Heath and Sons increased from £50,600 to £81,500 during the half year under September 30, 1975.

In the first two months of the second half, business has continued at a "satisfactory pace" and, subject to unforeseen setbacks, year-end results should show an improvement over last year's £143,021, states the chairman, Mr S. B. Heath.

Usual practice is to pay a single dividend in September. Last year's payment was 2.365p net.

| | Half-year 1975 £ | 1974 £ | Year 1974-75 £ |
|---|---|---|---|
| Turnover | 743,156 | 625,044 | 1,238,36[illegible] |
| Profit before tax | 81,500 | 50,600 | 143,02[illegible] |
| Tax | 42,400 | 26,000 | 75,2[illegible] |
| Net profit | 39,100 | 24,500 | 66,5[illegible] |
| Pref. div.* | — | 657 | [illegible] |
| Available | 39,100 | 23,943 | 66,1[illegible] |

* For five months to date of redemption.

The company makes brass, copper, chrome and silver ware, etc.

## RECENT ISSUES

### EQUITIES

| Issue Price p*** | Amount Paid Up | Latest Renunc. Date | 1975/6 High | 1975/6 Low | Stock | Closing Price p*** | + or − | Div. Amount | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 50c | F.P. | — | 530 | 530 | Ang.Am.Coal Corp. 50c | 530 | ...... | MQ58c | 2.6 | — | — |
| U.S.$ | F.P. | — | $12¾ | $12¼ | Brazil Fund S.A. | $12¾ | ...... | — | — | — | — |
| ♥R3 | F.P. | 7/11 | 330 | 260 | Standard G'd Min'g Stk | 280 | −5 | — | — | — | — |
| — | F.P. | — | £35⅛ | £29¾ | Hughes Tool $1 | £35 | +¼ | Q40c | — | 0.5 | — |

### FIXED INTEREST STOCKS

| Issue Price | Amount Paid up | Latest Renunc. Date | 1975/6 High | 1975/6 Low | Stock | Closing Price £ | + or − |
|---|---|---|---|---|---|---|---|
| £99¼ | £50 | 30/1 | 53¼ | 49½ | Bristol (City of) 13¾% Deb. Stk. 1981 | 53¼ | ...... |
| £99½ | £50 | 11/2 | 53½ | 49½ | Coventry (City of) 13½% Red. Stck. 1980 | 53½ | ...... |
| £98 | F.P. | 23/1 | 100¼ | 99⅛ | Essex Water 9% Red. Pref. 1981 | 100¼ | +¼ |
| ♣£100 | F.P. | 13/10 | 138½ | 113 | Haslemere Est. 9½% '90-5 | 131 | +1 |
| £100 | F.P. | 9/1 | 104¼ | 99⅞ | Islington 13½% Red. Stk. 1980 | 104¼ | ...... |
| £100 | F.P. | 9/1 | 101¾ | 97½ | Do. 14% Red. Stk. 1985/6 | 101¾ | ...... |
| ♣HK$100 | 50 | — | 887p | 225p | Jardine Math.7¾% Conv. Uns. 1990 | 887p | +67 |
| ††£98 | F.P. | 28/11 | 100 | 98¼ | Lee Valley Water 9% Red. Pref. 1980 | 99 | ...... |
| $US100 | F.P. | — | 100 | 98½ | Midland Bank Float Cap Notes '82 | 100 | ...... |
| $C100 | F.P. | — | 98¼ | 98 | Noranda 9¾% Notes 1980 | $C98¼ | ...... |
| $US100 | F.P. | — | 102½ | 98 | Do. | $US.102¼ | ...... |
| £98 | £25 | 23/1 | 28⅝ | 26 | Norcros 15¾% Deb. 1990/95 | 28⅝ | +¼ |
| £100 | — | 16/2 | 97 | 92 | Pentos 15% Conv. Uns. 1985 | 97 | +5 |
| ♣50p | F.P. | 17/11 | 50¼p | 45p | Singlo 10% Cum. Conv. Pref. | 46½ | ...... |
| £100 | F.P. | 28/11 | 120 | 100 | Spirella 14% Conv. 1991 | 110m | ...... |
| ‡£100 | F.P. | 20/2 | 113½ | 110 | Tenneco 10% Sterling $ Conv. 91-95 | 112½ | ...... |
| $US100 | F.P. | — | 98 | 92 | Trans Union Fin Can 10¼% notes 1980 | $C.95 | ...... |
| £98 | F.P. | 31/10 | 99½ | 98½ | York Waterworks 9% Red. Pref. 1980 | 97½d | ...... |

### "RIGHTS" OFFERS

| Issue Price p*** | Amount Paid up | Latest Renunc. Date | | 1975/6 High | 1975/6 Low | Stock | Closing Price p*** | + or − |
|---|---|---|---|---|---|---|---|---|
| 100 | F.P. | 19/12 | 30/1 | 180 | 160 | Anglo-Am Asphalt | 178 | ...... |
| C$36 | Nil | 16/1 | — | 63 | 30 | Bank of Nova Scotia | 42pm | +½ |
| 35 | F.P. | 5/12 | 7/1 | 62 | 53 | Barry Wiggins | 53 | ...... |
| 285 | F.P. | 12/12 | 16/1 | 363 | 332 | British Home Stores | 341 | +1 |
| 32 | Nil | — | — | 6 | 4 | Brooke Bond | 5½pm | −½ |
| 32 | F.P. | 12/12 | 12/1 | 55 | 47 | Capper-Neill | 51 | ...... |
| 10 | F.P. | 3/12 | 9/1 | 22½ | 18 | Charles (David) | 22 | ...... |
| 55p | F.P. | 24/11 | 8/1 | 92 | 79 | Debenhams | 92 | ...... |
| 100 | Nil | 8/1 | 13/2 | 21 | 13 | Eagle Star | 18pm | −3 |
| 25 | Nil | 5/1 | 30/1 | 36 | 30 | Ellis & McHardy | 36pm | ...... |
| 60 | Nil | 19/3 | 20/2 | 8½ | 4¾ | Fairey | 8½pm | +½ |
| 90 | F.P. | 12/12 | 9/1 | 128 | 119 | Fenner (J.H.) | 125 | ...... |
| 57 | Nil | 9/1 | 20/2 | 22 | 18 | Green's Economisers | 18pm | ...... |
| 675 | F.P. | 1/8 | 7/1 | 900 | 775 | Harrisons & Crosfields | 900 | ...... |
| 53 | F.P. | 15/12 | 12/1 | 86 | 64 | Hunting Assoc. Inds. | 83 | ...... |
| 10p | F.P. | 17/12 | 16/1 | 139 | 121 | Kwik Save Discount | 134 | +3 |
| 50p | Nil | — | — | 12 | 10½ | Lake & Elliot | 12pm | ...... |
| 10p | F.P. | 2/1 | 23/1 | 38 | 34 | Lennons Group | 36 | ...... |
| 10 | Nil | 22/12 | 20/1 | 34½ | 29 | Lighting & Leisure | 31½ | +½ |
| 68 | F.P. | 19/12 | 16/1 | 83 | 76 | Mowlem (J.) | 83 | ...... |
| $1.50 | Nil | 30/1 | 13/2 | 156 | 123 | Nat. Bank of Aust. | 140pm | +2 |
| 60p | Nil | 9/1 | 13/2 | 8½ | 4½ | Plessey | 8pm | +½ |
| 50p | F.P. | 31/12 | 6/2 | 58 | 52 | Pullman (R & J) | 58 | ...... |
| 10p | F.P. | 24/11 | 30/1 | 39 | 33 | Raybeck | 38 | +2 |
| 92 | F.P. | 19/12 | 30/1 | 134 | 116 | Runciman (W.) | 134 | +1 |
| 38 | F.P. | 19/12 | 21/1 | 43½ | 38½ | Spillers | 42½ | ...... |
| 65p | Nil | — | — | 27 | 25½ | Trafalgar House | 24pm | ...... |
| 20 | F.P. | 12/12 | 16/1 | 70 | 64 | Watson & Philip | 66 | ...... |

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✠ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

هكذا بالأصل





# No less profit forecast by Redman Heenan

IN all it is hoped that activity ...Redman Heenan International, ...heavy and specialised engin...ng group, can at least be main...ed, and that profits for the ...ent year will not be less than ...year's record £1,008,000, chair... Mr. Angus Murray says in ...annual review.

...he best forecast that can be ...e is that an upturn may be ...ected in the second half of ...; but for certain products it ...take longer to be reflected in ...orders, he adds.

...ointing out that the group re...sents a wide range of engin...ng interests with some com...ies well placed to take advant... of future demand, he says ...t companies have recently ...erienced an improvement in ...level of inquiries received.

...hese have not yet in general ...converted into firm orders, ...the chairman believes this ...ation represents an expression ...market intention which should ...lt in increased activity as ... as business confidence ...rns. "The timing of this is ...easier to predict than it has ...in the past."

...s known, pre-tax profit in...sed by 61 per cent. for the ...ended September 30, 1975, ...dividend payments are being ...med—for the first time since ...—with a final of 1p net, ...valent to 1.54p gross.

...he results were achieved in a ...certainly not an easy one for ...industry in general and for ...in particular, Mr. Murray ...

...he weakness in order intake ...rted in the interim statement ...inued on a widening front ...the level of output finally ...hed owed a lot to the size of ...opening order book and de...pment of new business from ...seas markets.

...the event the value of ship...ts rose by about eight per ...to £23.8m. and the overseas ...ent of this, at £8.5m. ...unted for 36 per cent. of the ...l.

...he year closed with an order ...of £19.5m. compared with an ...ning figure of £20.3m.

...ontrol of cash flow proved to ...difficult. On average, bank ...owings were higher than in ...previous year, although an ...w in the second half resulted ...reduction of £480,000 on the ...at the beginning of the year.

...he geographical spread of ...rts shows (£000 and per ...): EEC countries excluding ...U.K. 2,596 and 10.9 (2,574 and ...; Comecon countries 2,285 ...9.6 (2,785 and 13.6); Rest of ...ope 1,416 and 6 (1,129 and ... North and South America ... and 4.4 (522 and 2.4); ...tralasia 128 and 0.5 (128 and ... Asia 450 and 1.9 (910 and ... Africa 591 and 2.5 (426 and ... Turnover in the U.K. rose ... £13.61m. or 61.6 per cent. ...15.25m. or 64.2 per cent. of ...total.

...he accounts show a termina-tion of service payment of £10,000 (nil). At year end unrelieved revenue tax losses amounted to about £2.5m., less deferrals of £1.2m. Unrelieved capital tax losses amounted to about £1m.

Meeting, Connaught Rooms, WC, January 28, noon.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Milbury, Wilkinson Match.

Finals:—Bakers Household Stores (Leeds), Bertrams, J. F. Nash Securities, Winterbottom Trust.

FUTURE DATES

Interims:—

| | |
|---|---|
| Trident Group Printers | Jan. 14 |
| Warner Estate | Jan. 13 |

Finals:—

| | |
|---|---|
| Fluidrive Engineering | Jan. 13 |
| Glouc. and Chelt. Greyhounds | Jan. 9 |
| Imperial Group | Feb. 10 |
| Manchester Ship Canal | Feb. 9 |
| Smallshaw (R.) (Knitwear) | Jan. 13 |
| Tollemache and Cobbold Brews. | Jan. 13 |

● **comment**

After a 61 per cent. increase in pre-tax profits last year, Redman Heenan is hoping to more than hold its own this year with fully taxed earnings of at least 3.2p in spite of a reduced order book; the yield on last year's resumed dividend payment is 7.7 per cent. at 20p. The profitable Fisher group of companies and Froude test plant products could make a higher contribution while a big order book in Environmental Systems (reflected in a one-fifth increase in gross stocks and work-in-progress) should lead to a significant turnround on the back of a higher rate of completions. An improvement in shipments and cash flow towards the end of the year is reflected in a drop from 81 per cent. to 60 per cent. in the group debt-equity ratio and some £3½m. of tax losses are still available to the company. The overall improvement from 13½ per cent. to 18 per cent. in the return on average capital employed in the past year (albeit on inadequate margins of 6½ per cent.) underlines the recovery in group fortunes.

## Stanneylands first half progress

Profit, before tax, of hotel and restaurant owners Stanneylands Group was £83,709 for the six months to September 14, 1975, compared with £59,105 in the half year to September 30, 1974. For all the period October 1, 1973 to March 16, 1975 profit was £258,146.

Stated first half earnings per 10p share are 1.15p, against 0.87p and the interim dividend is 0.7p net. The previous period's payments comprised a first interim of 0.7p, a second interim of 1.1725p and a final of 0.9p.

The directors state that the six month results must be regarded as satisfactory in view of the present economic condition. Normally, the profits for the second half are "substantially higher" but in spite of "excellent" Christmas trading, the general situation continues to cause some concern, they add:

| | Half-year 1975 | 1974 |
|---|---|---|
| | £ | £ |
| Group turnover | 1,777,589 | 1,194,606 |
| Profit before tax | 83,709 | 59,105 |
| Taxation | 49,215 | 33,000 |
| Net profit | 34,494 | 26,105 |
| Attributable | 34,149 | 23,344 |

## Cautious outlook at Gleeson

THERE IS sufficient work in hand at M. J. Gleeson (Contractors) to enable current levels of turnover to be maintained during the year ending June 30, 1976, but in these uncertain times, it would be unwise to make a profit forecast, says chairman Mr. J. P. Gleeson.

As the group is primarily engaged in public works contracting he says he is bound to view prospects with some caution. This is especially so having regard to repeated warnings of further cuts in public expenditure programmes for 1977 and 1978, unless the economy soon shows some positive signs of recovery.

As reported, group pre-tax profit for the year ended June 30, 1975 increased from £701,000 to £903,000, on a turnover some £9m. ahead at £44.94m. and the dividend is raised from 1.4034825p to 1.49775p net.

The chairman points out that the 1973-74 results were adversely affected by the writing down of land values at June 30, 1974 necessitated by the then exceptionally difficult conditions in the house building and estate development markets. No further provision, however, has been necessary in the 1974-75 accounts.

The trading margin in the past year was affected by the burden of absorbing greatly increased costs arising at the tail-end of the last of the group's fixed price contracts, explains Mr. Gleeson.

Meeting, North Cheam (Surrey), February 4 at noon.

# John Williams prospects

IN HIS annual statement the chairman of John Williams of Cardiff, Mr. H. E. Williams, reports that a professional valuation of properties in August 1975 disclosed a £1m. increase in net assets.

This is a conservative figure, he says, as the valuation was made when the value of factory and office premises was at a far lower level than in preceding years.

A successful incursion into the property field was made in the year to September 30, 1975. Part of the extensive Cardiff property was let to the Department of the Environment on a long-term basis with the rent to be reviewed at five year intervals. "This lease guarantees the company a substantial and secure income through any difficult periods that may lie ahead."

As reported on December 11 the company achieved a pre-tax profit of £659,111 for 1974-75 compared with a record £732,838 in the previous year. Turnover was £15.88m. against £14.87m. in 1973-74 and the dividend is 1.7875p (1.675p) net.

Mr. Williams tells members that although the overall result did not match the peak achieved in 1973-74, "we have the highly satisfactory situation in which all three divisions have made substantial contributions to the group's profit."

The Steel Service Centres provided 65 per cent. of turnover and the directors look to 1975-76 with "reasonable confidence." There is, however, cause for concern at the Ghent Steel Centre, where the group's share of the loss for 1974-75 was £47,000. The Belgian operation is suffering from the serious downturn in Europe and particularly the situation in Belgium itself.

The directors are watching the situation closely and are discussing with the Belgian partners various plans for the operations there.

The future of the group's foundry is "bright," states the chairman, and the foundry division should show further growth in the coming year.

The architectural products division (15 per cent. of turnover) achieved "a striking turnround from a loss of £260,000 to a profit of £125,000 in the year and Mr. Williams feels that further progress will be made in the current year.

Meeting Cardiff on January 30, at noon.

## BP–Trouw form BP Nutrition

BP and the Dutch company Trouw and Co. N.V. plan to form BP Nutrition on March 1, by merging their animal feed and agricultural acids operations in the U.K. and the Republic of Ireland.

This follows BP's acquisition last year of Cooper Nutrition Products from The Wellcome Foundation and of a majority interest in Trouw.

Nutrition's estimated £20m. turnover will come from business formerly transacted by the CNP group, BP Chemicals' Agricultural Division, Trouw (G.B.) and Trouw (Ireland).

Shareholdings in the new company are expected to be split 75 per cent. B.P., 25 per cent. Trouw.

Nutrition, with headquarters at Witham, in Essex, will have three wholly-owned subsidiaries: Nordos, the CNP commodity trading company which retains its name in the reorganisation plans; B.P. Nutrition (Ireland), based in Dublin, and B.P. Nutrition (Northern Ireland), operating from Belfast.

It is intended that existing CNP, Trouw and BP brands will be maintained in the market. Mr. D. E. M. Thompson, at present managing director of CNP, is to be appointed managing director of Nutrition.

## WELLER NAME CHANGE

The Cooper Group has changed the name of the U.K. operation Weller Electric to Cooper Tools. For some time now the U.K. company has been marketing the full range of Cooper products, which include Lufkin measuring tapes, Nicholson files, Weller soldering equipment and Crescent and Xcelite hand tools.

# Petrocon strongly placed for expansion

WITH AN improved balance-sheet, resulting from the April share placing, the Petrocon Group is in a strong position to take advantage of any suitable opportunity for expansion or acquisition, states chairman Mr. Peter Hodgson.

While inflation continues at its present level, he feels prospects for industrial investment "remain bleak" and the effect of this will be felt primarily by the supply companies.

For this reason, particular efforts are being made to boost export business and the chairman is confident the group can succeed in taking advantage of opportunities that exist overseas.

As the industrial climate in the U.K. may be improving, it has been decided to examine prospects for expanding the manufacturing interests, reports Mr. Hodgson.

The group's two manufacturing plants have started the current year well—order books are full and the market potential for their products is "excellent." However, whether budgeted profits can be achieved will depend on whether costs can be contained. Overseas customers cannot be expected to accept British escalation clauses when foreign operators offer fixed prices, stresses the chairman.

Regarding operations of the service division, which are primarily directed towards the oil industry, Mr. Hodgson says he finds it difficult to predict the outlook. Owners of semi-submersible drilling rigs are finding new contracts hard to get—the result of severe pruning in exploration budgets — while expenditure on production drilling, particularly in the North Sea, continues to increase.

Mr. Hodgson sees a switch of emphasis in refining, gas liquefaction and petrochemical plant investment. Whereas, plants have tended to be located in areas in which the products were to be marketed, new plants are likely to be built in oil and gas producing regions such as the Middle and Far East, Africa and South America.

The effects on the supply companies is unknown, but will, to a large extent, depend on the success rate achieved by British-based engineering contractors. In this connection, the chairman says, it is essential that the Government provides some form of insurance protection against inflation. If it does not, contracts are likely to be lost to countries like France and Spain where such protection is available. Moves in this direction were announced by the Secretary for Trade, just before Christmas.

As known, for the year to August 31, 1975, group turnover increased by 51 per cent. to £9.55m., while pre-tax profits climbed 66 per cent. to £1.28m. Exports were up 87 per cent. to a record £2.29m.

During the year, the service division faced extremes of a steel shortage at the beginning and a glut at the end. Its turnover at £6.69m. was 51 per cent. higher with pre-tax profits up 37 per cent. to £918,758. Turnover of the manufacturing division rose by almost £1m. to £2.76m. while pre-tax profits jumped 207 per cent. to £356,272.

The balance sheet at August 31 shows short-term deposits and cash totalling £485,902 compared with a net overdraft position of £365,395 a year earlier.

The dividend for 1974-75 is raised from 2.591p to 3.924p. Meeting Abercorn Rooms EC, January 27 at noon.

● **comment**

Petrocon's 1974-75 balance sheet reveals just how far the group's debt position has been improved by the proceeds of the April placing. Against total net borrowings of £800,000 in the 1973-74 accounts the group is showing a net credit of £48,319 with cash balances boosted to £465,000. Elsewhere though the picture is slightly less favourable. With oil exploration contracts now becoming increasingly scarce the supply division—the largest single contributor to profits, 48 per cent. last year, looks almost certain to return lower profits this year. The Government's recent announcement that it is considering an inflation protection scheme (similar to those operating in France and Spain) for U.K. contractors, supports the group's hopes for recovery here by the year end. That leaves Petrocon leaning on the manufacturing companies and the services division for its 1975-76 growth, so unchanged profits overall are probably the safest bet. At 118p the shares are yielding 5¼ per cent.

## Newman Inds. formation

Newman Industries has formed a new company to consolidate the two-tier structure which has been in operation for the past two years.

With group chairman Alan Bartlett as chief executive, Newman Industries (Holdings), is to co-ordinate the activities of 12 companies based in the U.K. and two subsidiaries in Australia.

Administration and financial control are in the hands of Philip Gollop, while Peter Steadman is now responsible for all manufacturing within the 12 companies which have been consolidated into six units, each with its own management team.

Marketing and sales functions are controlled by Stan Tutton. The marketing companies are to handle all products within the Holdings group and many from outside sources.

## Growth for Shaw & Sons

Shaw and Sons, printers, publishers and stationers of Lower Sydenham, London, has purchased the entire shareholding of Lewis Coates and Lucas, company registration agents, of London, E.C., also the remaining shares in Modern Accounts, designers and manufacturers of control and security systems.

Founded in 1750, Shaw has been examining ways in which to offer a more complete service to its customers, and the amalgamation with the 50-year-old Lewis Coates provides this—it is hoped that this first major change in recent years in the ranks of law stationery manufacturers will be of benefit both in terms of cost and service to all practices.

No major changes to Lewis Coates are envisaged. Mr. F. H. Phillips, managing director and Mr. G. E. Morris, editorial director of Shaw, will join the Board of Lewis Coates.

Modern Accounts has been associated with Shaw for several years. No immediate changes in its structure are planned.

### SHARE STAKE

Vickers—London and Manchester Assurance now holds £187,000 Preferred 5 per cent. stock (24.93 per cent.) and 199,000 5 per cent. Preference stock (26.53 per cent.).

# World Value of the Pound

The table below gives the latest available ...s of exchange for the pound against various ...encies on January 5, 1976. In some cases ...s are nominal. Market rates are the ...age of buying and selling rates except ...re they are shown to be otherwise. In ...e cases market rates have been calculated ...o the market rates of foreign currencies ...which they are tied.

...xchange in the U.K. and most of the ...ntries listed is officially controlled and the ...s shown should not be taken as being ...licable to any particular transaction without ...rence to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

| Place and Local Unit | Value of £ Sterling | Place and Local Unit | Value of £ Sterling | Place and Local Unit | Value of £ Sterling |
|---|---|---|---|---|---|
| ...& Issas Djibouti Franc | 342(sg) | Germany West Deutschemark | 5.234 | Paraguay Guarani | 253.66 |
| ...anistan Afghani | 118(A) | Ghana (S) Cedi | 2.33 | P'pl's D. Rp. of Yemen (S) S. Yemen Dinar | (A)0.60 |
| ...nia Lek | (O)10.10(A) T25.25(A) | Gibraltar (K) Gibraltar £ | 1.00 | Peru Sol | exc A 91.46¼ (A) 91.46¼ |
| ...ia Dinar | (A)8.09(sg) | Gilbert & Ellice Is. (S) Aust. Dollar | 1.6164 | Philippines Ph. Peso | 15.2275 |
| ...rra French Franc / Spanish peseta | 9.04 / 120.26 | Greece Drachma | 71.6245 | Pitcairn Is. (S) £ Sterling / New Zealand $ | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| ...Is. Danish Krone | 12.49¼ | Nicaragua Cordoba | 14.28 | Vietnam (Nth) Dong | (O)n.a.(g) (T)n.a.(g) |
| ...Is. (S) Fiji $ | 1.754 | Niger Rp. C.F.A. Franc | 452 | | |
| ...land Markka | 7.89 | Nigeria (S) Naira | 1.2806(sg) | Vietnam (Sth) Piastre | n.a. |
| ...ce French Franc | 9.04 | Norway Nrwg. Krone | 11.27½ | Virgin Is. U.S. U.S. Dollar | 2.0325 |
| ...Afe C.F.A. Franc | 452 | Oman Sultanate of (S) Rial Omani | 0.695 | Western Samoa (S) Samoan Tala | 1.2128 |
| ...iana Local Franc | 9.04 | Pakistan Pkst. Rupee | 19.75(sg) | | |
| ...Pac. Is. C.F.P. Franc | 164.38 | Panama Balboa | 2.0325 | Yemen Ryal | 9.20(sg) |
| ...on C.F.A. Franc | 452 | | | Yugoslavia New Y Dinar | 66.9352 |
| ...da (S) Dalasi | 4 | Panama Canal Zone U.S. $ | 2.0325 | Zaire Rp. Zaire | 1.0122 |
| ...many (East) Ostmark | 8(A) | Papua N.G. (S) Kina | ‡1.6184 | Zambia (S) Kwacha | 1.3064 |

...hat part of the French community in Africa formerly ...art of French West Africa or French Equatorial Africa.

...Rupees per pound. Tourists visiting Sri Lanka receive ...a premium of 65 per cent.

...A decimal currency for the dollar, equal to 10 Rhodesian ...shillings was introduced by the Independent Regime on ...February 17, 1970. Recent reports suggest a rate of ...about 1.2837 Rh. dollars to £1.

...The Ouguiya has replaced the CFA franc. The exchange ...was made at a rate of CFA Frs.5 to one unit of the ...new currency.

General rate; oil and iron exports 8.8865.

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.325 Russian roubles, the North Vietnam dong at 0.306 roubles, and the North Korean won at 0.7482 roubles. With the pound standing at 1.55 roubles, the following relationships could be calculated for the pound: £1=6.89 tugriks, £1=5.06 dongs, £1=2.07 won.

●● Information not available for this edition.
* Rate is the Transfer market (controlled).
** Rate now based on 2 Barbados $ to the dollar.
† Special Financial Rate 175.55.
‡ Australian dollar remains in circulation.
‡ Now one official rate.

## PUBLIC NOTICES

BLACKPOOL BOROUGH COUNCIL BILLS £.5m. issued 8 January 1976 maturing 8 April 1976 at a rate of 10.4375%. Total applications £3.5m. No bills outstanding.

CITY OF PORTSMOUTH. £1,100,000 Bills maturing on 2nd April 1976 were offered and issued on 2nd January 1976 at an average rate of 10¼% p.a. Total applications for this issue amounted to £5,500,000 and these are the only bills in issue.

CITY OF STOKE-ON-TRENT £650,000 Bills maturing on 1st April 1976 were offered and issued on 2nd January 1976 at an average rate of 10.35 64% p.a. Total applications for this issue amounted to £4,350,000 and these are the only bills in issue.

CLEVELAND COUNTY COUNCIL BILLS £10m. issued 7 January 1976 maturing 7 April 1976 at a rate of 10.4375%. Total applications £53m. No bills outstanding.

GRAVESHAM BOROUGH COUNCIL BILLS £.5m. issued 7 January 1976 maturing 7 April 1976 at a rate of 10.4375%. Total applications £3.25m. No bills outstanding.

## GOURMET



## BIDS AND DEALS

# Grampian secures major North Sea stake

**Grampian Holdings** has acquired the six companies comprising the North Sea Gas Services and Utilities Group—NSG Group—for an initial consideration of £600,000 in cash.

The contract provides for two further payments on January 2, and July 30, 1977. Total payable will relate to profits for the three years to March 31, 1977 on the basis of a post-tax price-earnings ratio of 5.75 and will not exceed £1.25m., inclusive of the initial payment of £600,000.

NSG is a leading specialist supplier of engineering equipment and consumables to the North Sea oil industry. Its product range serves all sectors including exploration, pipe laying, platform fabrication, diving and off-shore and on-shore production and processing facilities.

At the date of the last audited accounts combined net assets were £170,700 and profits before tax £235,600.

The transaction will secure for Grampian an established major foothold in North Sea activity.

Chairman of NSG, Mr. Joseph King, and managing director, Mr. Harry Burton, will continue on the Board and will carry forward day-to-day group management. They will be joined by Mr. Plev Ellis, managing director of Grampian Oil Services, and by Mr. Donald Grant.

Mr. Lewis Robertson, chief executive and deputy chairman of Grampian, said "We have carried out an extensive and careful search and the NSG Group exactly fulfils our intention to expand into the high level offshore North Sea activity and development."

NSG has depots in Aberdeen, Muir of Ord, Shetland, Leith, Peterhead, Milford Haven, Middlesbrough and Great Yarmouth.

## Emu Wine bid talks

The directors of **Emu Wine** say they have been informed by Bell Bros. of Western Australia, that B.B. has increased its holdings in Emu to 32.49 per cent. of the issued capital.

B.B. is aware of its obligations to make an offer for the balance of the capital, and discussions have commenced.

B.B. is being advised by Hill Samuel and Co. and Emu by S. G. Warburg and Co.

## Marshall's Universal acquisition

MARSHALL'S UNIVERSAL, distributor of motor-cars, motor components and paper and board products, has bought M and F Components, a motor accessory distributor, for £375,000.

The purchase price is to be adjusted by the amount that post-tax profit of M and F for the eight months to December 31, 1975, differs from a two-thirds portion of profits for the year ended April 30, 1975. Pre-tax profit for the past financial year was £115,518; in the 12 months to April 30, 1974, profit amounted to £105,575 and in 1972-73 the corresponding figure was £92,438.

M and F, which uses the trade names of Mafco and Mafkit, had net tangible assets of over £400,000 at December 31, 1975. This includes leasehold land which had a value of £92,000 on October 28, 1975, when the property was professionally revalued.

The Mafco range includes thermostats, rotors and radiator caps, as well as contact breakers, trailer connections and aerials. Under the Mafkit trademark, M and F supplies washers, gaskets and screws.

## Approach to Coated Metals

**Coated Metals (Holdings)**, which makes aluminised steel coil, sheet and strip, has received an approach which could lead to a bid worth £975,000 being made for the company. The possible bidder is C. Walker, a major private steel stockholding company which operates out of Blackburn.

No firm bid has been made, though Walker issued a statement last night saying that the offer price would be 85p per share. Coated Metals' share price, which was moving strongly in the latter stages of last week, closed 10p higher at 85p; at the beginning of December it was 57p.

Companies controlled by Mr. J. Walker, joint chairman of Walker, already hold 16½ per cent. of the Coated Metals capital, a stake that has apparently been built up over a period of months with the knowledge of Coated Metals.

## Chubb deal completed

Following the recent acquisition by **Chubb and Son** of the minority shareholding held by the Mosler Safe Company, of New York, in Chubb-Mosler and Taylor Holdings, the remaining minority interest has now been acquired from T. M. West Manufacturing, of Toronto.

The consideration in cash amounted to $C1,461,964 and was raised through a facility provided by the County Bank.

## Halma buys Service Elec. from Hestair

The **Halma Group** is expanding its interest in air movement and in safety equipment by the acquisition from Hestair of Service Electric Company, of Stanmore, Middlesex, for £130,000 cash payable on completion on or prior to January 28, 1976. Service is paying a special dividend of £162,000 to Hestair.

Service manufactures high speed centrifugal fans, marine whistles and electric sirens and its products are complementary to those of other Halma subsidiaries.

Its profits before tax were £60,184 in the year to January 31, 1975 and are expected to exceed this in 1975-76. Net tangible asset value based on the last balance sheet was £182,526—after payment of the special dividend to Hestair and adding the anticipated post-tax profit for the current year, it is expected that such value at completion will be about £70,000.

Mr. David Barber, chairman and managing director of Halma, said sales turnover of Service in the year to January 1975 was £580,795, and he anticipated that in the 12 months to January 1976 the figure would be approximately £700,000.

Mr. David Hargreaves, chairman of Hestair, said the proceeds would be used to develop the group's major operating companies in specialist vehicles, agricultural and horticultural engineering, toys and educational supplies and leisure.

## Woodhouse and Rixson in Belgium

**Woodhouse and Rixson**, Sheffield-based steel forgings and trailer, flange and spring manufacturers, has bought a Belgian pipe and flange manufacturing company, La Bride Industrielle, for B.Frs.14m. (£173,000).

The acquisition, which is the company's first departure into overseas take-overs, is expected to involve the group in a total investment of B.Frs.30m. (£370,000). A new Belgian subsidiary has been formed to operate the new company.

The purchase agreement for La Bride, which ceased trading in the summer, includes 3.6 acres of land, plus forge, machines and storage shops covering 56,000 square feet. These interests, while not expected to yield a return immediately, are expected to be generating profits in 1977, it is stated.

### CTE BUYS WILTON TAR BUSINESS

Under an agreement just reached between **Chemical and Thermal Engineering** (part of the Hunt and Moscrop group) and **Otto-Simon-Carves**, CTE has acquired all of the business previously carried on by Chemical Engineering Wiltons in the design and construction of tar distillation and other coal chemical plants.

### TCK—LESBROOK

**TCK Group** states that, in confirming its purchase of 29.9 per cent. of **Lesbrook**, it is confident that arrangements can quickly be made to ensure the long-term development of that company. On finalising details, it is intended to make a further payment to those shareholders concerned of 1.9p per share, making 2p in all.

### ASSOCIATES DEALS

R. Layton and Co., on January 2, sold 20,000 Central and Sheerwood Trust at 26p and 20,000 at 27p on behalf of an associate.

R. Layton between December 16 and December 23, 1975 purchased 300,000 Alexander Howden at between 132p and 134p on behalf of an associate of Howden.



## MINING NEWS

# Tough times for the copper producers

BY KENNETH MARSTON, MINING EDITOR

WHILE opinions remain divided as to how soon this year's hoped-for recovery in the economies of the more energetic industrial nations will be reflected in higher metal prices, the world's copper mines continue to face an uphill struggle against high costs and low returns.

Many mines are losing money at the current price of £585 per tonne and Australia's Peko-Wallsend announces that it is to close down a mill at the copper-producing Mount Morgan in Queensland as a result of falling ore grades coupled with low copper prices.

Peko's managing director, Mr. G. B. Lean, says that Mount Morgan has been operating at a loss which now amounts to $1.5m. (£0.94m.). But the mill close-down with its accompanying reduction in the workforce should lead to a break-even situation.

Going from the new world to the old world, low copper prices are also cited as the reason for the proposed close-down of the Israeli Government-owned Timna copper mines in the Negev Desert which are reputed to have been worked for 2,000 years since the days of King Solomon. As a protest at the closure the Red Sea port of Eilat is reported to have cut itself off from land, sea and air communications.

Meanwhile, London Metal Exchange warehouse stocks of copper are reported to have now risen to a record high of 503,750 tonnes. This puts non-Communist world stocks in the region of some 2m. tonnes, or so, compared with an estimated annual consumption rate of 5 to 6m. tonnes which is still below the current rate of production. The situation is further commented upon by our Commodities Editor on page 19.

### ROUND-UP

A fire which broke out on the upper levels near No. 2 ventilation shaft on December 31 at the Consolidated Gold Fields group's Venterspost Gold mine was extinguished on January 3 with a minimal loss of production, the company stated.

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According to a Papua New Guinea Government spokesman, talks with Australia's Broken Hill Proprietary will continue next week on the possibility of the latter company developing the Ok Tedi copper prospect. The talks are reported to be at a "delicate stage" with some legal matters still to be resolved. It is hoped that a decision will be forthcoming before January 10 when a two-year Government drilling and evaluation programme is due to start.

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In order to create a body fully representative of both sides of the uranium industry, the council of the Uranium Institute has agreed to recommend that in addition to those engaged in uranium production, ordinary membership of the institute should be open to industrial concerns and organisations engaged in the consumption and processing areas of the nuclear fuel cycle. A resolution to adopt such new articles of association will be proposed at a meeting on January 30.

## Brazil to spend $6bn. on mining

BRAZIL'S STATE-owned mining company, Companhia vale do Rio Doce, is to invest at least $6bn. (£2.96bn.) in six projects in the Amazon region over the next eight years, reports our Sao Paulo correspondent. This is about two-fifths of the company's total planned investments and indicates just how great is its confidence that, despite the incredible logistic problems, the "Green Hell" can be finally tamed and harnessed into man's service.

The largest—and probably the most problematic—project is AMSA—Amazonia Mineracao, a huge iron-ore mining concern which is to be set up on the isolated Serra dos Sarajas and should have a final annual output of 50m. tonnes, with operations beginning in 1981-82.

AMSA geologists have just announced that the reserves are even larger than the 17bn. tonnes estimated in 1973, possibly reaching 30bn tonnes. Manganese, copper and nickel have also been found, although the reserves have not yet been measured.

The most serious difficulty faced by the project has been the drawing up of mutually acceptable working arrangements between various partners. Rio Doce was originally going to undertake the project with U.S. Steel alone. However, U.S. Steel seemed unwilling to assume its earlier undertaking to take half the output.

The contract is being renegotiated, with a reduction in U.S. Steel's hold, from 49 per cent. to 29 per cent., and the entry of three new partners: British Steel Corporation (5 per cent.), the Spanish steelmaker Altos Hornos de Vizcaya (5 per cent.) and a consortium of five Japanese companies (10 per cent.).

The new arrangements have not yet been fully worked out, for U.S. Steel is anxious for the four foreign partners to form a holding company in which U.S. Steel would have a controlling interest. The three other partners, however, pointing out that they will be taking between them 25-28m. tonnes of ore, whereas U.S. Steel has only committed itself to 5m. tonnes, are not showing any enthusiasm for this set-up.

## NEW LIFE BUSINESS

# Phoenix growth continues

GROWTH CONTINUED for the **Phoenix Assurance Company** in 1975 with new sums assured rising from £853m. to £961m.

In the U.K. new sums assured amounted to £749m. against £696m. of which £263m. (£160m.) was individual policy business.

New annuities per annum totalled £10.1m. (£11.7m.); new annual premiums £10.0m. (£9.4m.); and new single premiums £1.8m. (£2.3m.). New annuities per annum in the U.K. amounted to £9.4m. (£11.0m.) and new annual premiums to £6.8m. (£6.5m.).

**CANADA LIFE GROUP**—New life annual premiums £1.80m., an increase of 31 per cent. over 1974. Total new annual premium, life and annuity, £1.89m. (£2.15m.), and new single premiums £980,000 (£1.10m.). Net new life sums assured £161m. (£133m.), and new annuities were purchased for £2.13m. (£1.71m.).

**CITY OF GLASGOW FRIENDLY SOCIETY** — Sums assured £7.04m. (£6.73m.) at annual premiums amounting to £321,000 (£315,000).

**ENGLISH INSURANCE**—Record new business in 1975, under which net premium income amounted to £8.38m. (£3.6m.) in addition to single premiums and immediate annuity considerations of £3.18m. (£3m.). The benefits secured included net sums assured of £375.8m. (£247.7m.)—group life accounted for £383.3m. (£239.8m.)—net deferred annuities per annum of £11.16m. (£6.33m.) with equivalent capital values of £111.9m. (£53.5m.), and net immediate annuities per annum of £480,000 (£400,000). The figures include new business for the wholly owned subsidiary English Insurance (Pensions Management) in respect of the managed pension fund business.

**FRIENDS' PROVIDENT LIFE OFFICE** new annuities per annum £34.9m. (£23.2m.); new permanent health insurance sums insured per annum £17.7m. (£23.8m.); new annual premiums £13m. (£8.6m.); and new single premiums £4.8m. (£1.1m.).

**NATIONAL EMPLOYERS LIFE GROUP**—New annual premium income exceeded £3.8m. (£4.4m.). New life sums assured exceeded £301m. (£104m.). Figures are net of reassurance.

**NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALASIA**—In the year ended September 30, 1975 record volume of new assurances totalling over £1.56bn. New annual premiums were over £45m. In Great Britain and Ireland during 1975, new assurances were £62.23m. (£64.6m.). New annual premiums were over £1.24m. (£1.16m.).

**NATIONAL MUTUAL LIFE ASSURANCE SOCIETY**—New net annual premium income £2.27m. (£1.42m.). Single premiums were £0.43m. (£0.19m.). Benefits secured were: sums assured of £71.8m. (£42.4m.) and deferred annuities of £2.5m. p.a. (£1.9m.). As reported from the January 1, 1976 Final Bonus, payable on claims by maturity or death, is increased from 20 per cent. to 25 per cent. of attaching bonuses.

**PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION**—Estimated new annual premium income £9.3m (£7.7m.); non-recurring single premiums and considerations for annuities £5.2m (£4.07m.). Benefits secured were £355m. (£419.06m.) under assurances and £21.6m. per annum (£17.64m.) per annum under immediate and deferred annuities including in both cases new entrants and increments under group schemes.

**SCOTTISH AMICABLE LIFE ASSURANCE**—New annual premium income £11.5m. (£9.4m.). New sums assured £413m. (£335m.). Included are U.K. whole life and endowment assurance new annual premiums £6.5m. (£3.1m.) Flexidowment Second Series contributed substantially. Also included are U.K. group life and pensions business new annual premiums £4.7m. (£3.8m.).

**VICTORY REINSURANCE GROUP** reports a 24 per cent. increase in new sums assured at £550m. New annual premiums were £1.9m. (£1.6m.) and single premiums £9.5m. (£4.1m.).

**WESLEYAN AND GENERAL INSURANCE**—New life sums assured of £43.54m (£38.40m.) with new premium income £1.09m. (£1.83m.). In Ordinary Branch new sums assured were £21.04m (£19.02m.) with new premium income £628,000 (£576,000) and in the industrial "Home Service" branch, new sums assured were £22.79m. (£10.6m.) with new premium income £1.46m. (£1.25m.). Gross premium income in general branch at £2.26m. showed an increase of 19.6 per cent. over 1974

## APPOINTMENTS

# Lord Aberdare heads Albany Life

**Lord Aberdare** has been elected chairman of ALBANY LIFE ASSURANCE, a subsidiary of American General. Lord Aberdare is Deputy Leader of the Opposition in the House of Lords and was previously Minister of State at the Department of Health and Social Security and Minister without Portfolio in the last Conservative Government.

**Mr. F. P. Tickner** has been appointed marketing director of PARK STAR ENGINEERING.

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**Mr. Arthur P. McArdle** has become chairman of the committee of management of the ROYAL LIVER FRIENDLY ASSURANCE SOCIETY in place of **Mr. Stanley A. Webb**, who has relinquished that position and will be retiring in May. **Mr. Donal P. Duffy** has been made deputy chairman.

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**Mr. Derek John** has joined the Bristol Engine Division of ROLLS-ROYCE (1971) as marketing director.

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**Mr. W. E. Thomas**, **Mr. H. M. Carlton** and **Mr. G. Shalet** (secretary) have joined the Board of CANNON RUBBER.

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**Mr. M. G. C. Facey** has been appointed to the Board of EVER-BRIGHT FASTENERS, a subsidiary of Amalgamated Industrial's.

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**Mr. A. C. van der Linden** has been appointed financial director of JOHN D. HUTCHISON (U.K.), the holding company for Hutchison International's U.K. interests.

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**Sir John Muir** has retired as chairman and from the Board of the JAMES FINLAY CORPORATION. **Mr. A. F. Given** has resigned from the Board. **Sir Colin Campbell** and **Mr. C. H. Campbell**, respectively chairman and deputy chairman of the parent company, become chairman and deputy chairman of the corporation and **Mr. J. D. B. Wood** and **Mr. A. Stone** have joined the Board. **Mr. J. R. Finnie** of the corporate finance division and **Mr. C. D. Bustard** of the banking division have been appointed general managers of the corporation.

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**Mr. R. G. Pruett** has been appointed divisional director of manufacturers sales for GOOD-YEAR-GREAT BRITAIN.

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**Mr. H. V. McConnell** has been appointed commercial director of Ductile Hot Mill and Ductile Cold Mill. **Mr. M. R. Fye** has become sales director and **Mr. H. G. Baker**, works director of the Dudley Port Rolling Mills. **Mr. W. Shorthouse** becomes works director of Monmore Tubes. The parent concern is DUCTILE STEELS.

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**Mr. Colin Roe** has been appointed managing director of WELLMAN SELAS.

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**Mr. L. J. Tolley** has been appointed a regional director of the North-West regional Board of LLOYDS BANK. Mr. Tolley is chairman of Renold.

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**Mr. M. E. Crago** and **Mr. A. M. Pritchard** have been appointed directors of ARBUTHNOT INSURANCE SERVICES.

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**Mr. A. G. Burrows** has been appointed managing director of BARDEX (PLASTICS) on the retirement of **Mr. R. Long-Leather**, who continues as a director of the parent company Thurgar Bardex, and Mr. Burrows has also been appointed to that Board. **Mrs. H. L. Thurgar** has retired as a director of Thurgar Bardex but continues as a director of Thurgar Bolle.

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**Mr. Raymond Brooks**, **Mr. Neil Burbridge**, **Mr. Stanley Cornwell**, **Mr. Christopher Day**, **Mr. Sydney Moss** and **Mr. John Rogers** have been appointed directors of WILLIS FABER AND DUMAS. **Mr. Alastair Leslie** has become a director of Willis Faber and Dumas (Agencies).

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**Mr. D. Riley** has been appointed joint managing director of GEORGE M. WHILEY. **Mr. R. A. Maureso** has become sales director and **Mr. M. L. Hellenberg**, production director.

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**Mr. John F. Ormiston** has retired as a director of the PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION.

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**Mr. Norman Elliott** has joined the Board of PACIFIC MARINE (U.K.). **Mr. Martyn Hill** has become manager of the dry cargo department.

**Mr. M. J. Rogerson** has joined the partnership of SHEPPARDS AND CHASE, stockbrokers.

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**Mr. Gunnar Englund** has been elected chairman of the SWEDISH WALLBOARD MANUFACTURERS' ASSOCIATION and of the FEDERATION OF NORDIC FIBREBOARD INDUSTRIES. Mr. Englund is managing director of Statens Royal Sales, the U.K. subsidiary of ASSI.

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**Mr. P. Marriage** and **Mr. E. Belton** have retired from SLAUGHTER AND MAY. **Mr. H. M. Nowlan**, **Mr. G. D. Child** and **Mr. C. F. FitzGerald**, who have been associated with the firm for some years, have been taken into partnership.

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**Mr. Charles J. Baker** has been appointed group managing director of DUCTILE STEELS. **Mr. R. Sidaway** remains chairman and chief executive with **Mr. L. Pardoe** as deputy chairman.

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Following the retirement of **Mr. H. T. Jones**, **Mr. W. G. Cooper** has been appointed chairman of HUGH PAUL HOLDINGS. **Mr. B. Harrison** has become deputy chairman and **Mr. J. S. Smeaton**, a joint managing director. **Mr. C. W. Harpley**, **Mr. B. F. Williams** and **Mr. M. S. Jones** have been made directors. **Mr. J. W. Phillips** is now a director of Hugh Paul (Agencies).

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**Mr. Godfrey L. Marcus**, secretary of ROYAL SOVEREIGN GROUP, has joined the Board.

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**Mr. Rainer C. Kahrmann** and **Mr. Roger W. Parsons** have been appointed assistant directors of EUROPEAN BANKING COMPANY, a member of the EBIC Group. **Mr. Neil R. Balfour** has become manager.

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**Mr. E. C. E. Wells** has been appointed chairman, **Mr. P. C. Methley**, managing director, and **Mr. R. D. Brousse**, **Mr. A. F. Hampton**, **Mr. M. M. Murphy**, **Mr. J. M. Roberts** and **Mr. T. H. Whit**... directors, of STEWART WRIGHTSON (INTERNATIONAL).

**Mr. E. G. Hodges** has been made a director of Stewart Wrightson (Aviation) and **Mr. G. Boden** a director of Stewart Wrightson (U.K.).

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**Mr. J. M. M. Griffiths** has been appointed a director of MEACOCK, SAMUELSON & DEVITT (REINSURANCE BROKERS).

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**Mr. J. A. Roberts**, managing director and chief executive of Burmah Industrial Products, has joined the Board of CHIPMAN as a nominee director of Atlas Products and Services.

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**Mr. K. E. Holmes**, finance director of the RENWICK GROUP, has succeeded **Mr. R. S. Petty** as managing director. Mr. Petty continues as a director.

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**Mr. Henry von Ferstel** has relinquished the post of chief executive of EUROPEAN HOTEL CORPORATION (Penta Hotels) by mutual agreement.

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**Mr. T. J. M. Simpson** has been appointed managing director of MIDDLETON PLASTICS. He succeeds **Mr. B. A. Lord**, who—following a protracted illness—has taken up the position of product development manager. The company is a member of the Cadbury-Schweppes group.

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**Mr. Gerry Brooke Taylor**, director of social development, TELFORD DEVELOPMENT CORPORATION, has retired, but has been retained as a consultant on special subjects.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

# Sabena arguments stir the political pot

BY DAVID CURRY BRUSSELS, Jan. 5.

UMENTS over the fate of na, the 90 per cent. State-d Belgian national airline, likely to provide a long-ing and highly emotional cal issue in Belgium over coming months. The basic em is what to do about an e which is structurally loss-ng without creating heavy dancy or provoking a Flemish-Walloon quarrel. bate will centre around the t now imminent from the ican consultants McKinsey is exploring the feasibility ser co-operation (the word er is carefully avoided) een Sabena, the Dutch KLM, the tiny Luxembourg opera-uxair. Already, in anticipa-of the publication of the t, Members of Parliament started asking questions t a possible Royal Benelux ies or Beneluxair.

solution along the lines of a merger with KLM which is than twice as big as na is believed to be the rence of the Belgian Com-cations Minister Mr. Jos-ert, who is already being ed of "wanting to sell na to the Dutch."

difficulties are financial, ical, and emotional. On the cial level, KLM last showed profit for 1970-71, and has been slimming down its after a McKinsey study. The e expects a significant 1975 despite a relatively good half.

na is heading for a 1975 of between BFrs2.3bn. (about £29m.) and BFrs2.5bn., to round off a long and unbroken sequence of losses derived in part from having a route net-work geared to an African empire which no longer exists and noticeably thin on the high-volume routes. By the end of April it will be some BFrs2.6bn. overdrawn while State aid in 1976 is likely to tot up to around BFrs1.145bn. Accumulated losses in the past 15 years are more than BFrs10bn. (£125m. at to-day's exchange rate). The Government has commissioned a report on the airline's financial structure from Anderson, the American accountancy company, while it has also appointed a special commissioner to the air-line with veto powers over management decisions, though he has not yet taken an active part at Sabena headquarters. A report on Sabena by MIT, not at official instigation, has already concluded that the shedding of ground staff, more attractive routes and greater exploitation of charter traffic are needed.

On the technical level there are two difficulties. The first is that apart from three Douglas DC-10's, Sabena operates an entirely Boeing fleet of which the main components are 15 737's and ten 707's, of which six are cargo-carriers. In contrast, KLM apart from some seven Jumbos and six DC-10s is a Douglas operator.

In addition to that, Sabena belongs to the Atlas group of airlines which embraces Air France, Lufthansa, Alitalia and Iberia and which operate joint servicing and training for wide-bodied aircraft whereas KLM belongs to the KSSU group com-prising SAS, Swissair and the French carrier UTA.

Finally, there is the emotional problem. The Walloon parties (French speaking) are already beating the drums against any closer link with KLM, which would inevitably create an air-line of Dutch character. Their suspicions are made more urgent by renewed talk (almost certainly futile) of building a Benelux airport in Holland, a project long dear to the city fathers of that very Flemish city Antwerp. Added on to the political difficulty of slimming down the 10,000 heavily unionised work-force at Sabena after the company's extensive slimming campaign already undertaken, these issues would certainly transform the fate of Sabena into a Flemish-Walloon conflict, with the Walloons claim-ing that enhanced co-operation with Air France through Atlas makes more sense.

The government is on a hiding to nothing. Significant cross-frontier rationalisation entails formidable technical and political problems with no built-in guarantee of financial success while an attempt at financial improvisation alone would leave the structural problems of the airline untouched: attempts to extend the route-network are proving very difficult to achieve in view of the over-capacity in the airline business.

# VMF sticking to its forecast

BY MICHAEL VAN OS AMSTERDAM, Jan. 5.

STORK, the big Dutch-amalgamated engineering any, estimates that its 1975 have risen to about 7bn.—about Fls.200m. more the year before. Around per cent. of sales were ved outside Holland, and percentage will be main-d in the current year, when are expected to hit the on. mark.

company's sales estimates ontained in the prospectus shed here to-day in con-on with VMF's 9 per cent. m. loan. The loan involves ssue of subordinated con-ble bonds, prices at par, and rtible into Ordinary shares which a nominal Fls.25m. already been placed with mber of institutional in-rs.

F-Stork is sticking to the ast made after its half-year results were published, that the 1975 full year profits would "at least equal" the previous year's level (nearly Fls.24.9m.).

Despite the impact of the recession on a number of divi-sions the Amsterdam-based com-pany added that, assuming the impact of the recession did not worsen "a gradual rise in profits is expected from 1976 onwards."

A further increase in sales was anticipated in the next few years, and VMF pointed out that developments on the world market were more important for the company than those in the domestic market. The order book totalled around Fls.2bn. at the end of 1975.

Commenting on the reasons for the new loan, VMF Stork said that the level of investments would clearly be higher than estimated depreciation in the next few years, as had been the case in 1974 and 1975. Invest-ment projections for 1975 were put at Fls.56m. and at Fls.57m. for the current year, while estimated depreciation should total Fls.37m. and Fls.42.5m., respectively.

The increase in capital needed to finance rising sales, as well as a high level of investments meant VMF would need to draw on its cash and loan facilities in the next few years. For that reason VMF-Stork had selected this particular form of loan. The loan is treated as equity and also subordinated, to maintain flexibility in future to raise long-term loans. A convertible element had been selected because part of the scheduled investments will only contribute to profits after some time.

VMF-Stork added that it expected debt to amount to about 45 per cent. of total equity at the end of 1975.

# Eurofima to raise Fls. 75m.

BY MICHAEL VAN OS AMSTERDAM, Jan. 5.

O BANK announced this noon that Eurofima, the pean railroad rolling stock cing company based in , intended to issue Fls.75m. nal 8.5 per cent. bonds due 86 on the Dutch domestic al market. The bond's issue will be announced no later January 13, said Amro, h heads the syndicate of anies underwriting the loan; syndicate members include Mees en Hope and Pier-

rough the co-operation of it Suisse White Weld, sche Bank, Smith, Barney Co., Swiss Bank Corporation rseas) and Union Bank of Switzerland (Securities), an amount will be placed with foreign subscribers. The amount, to be determined at a later date, will not be less than Fls.15m. of bonds while not exceeding Fls.20m.

There will be five mandatory redemptions, each amounting to about Fls.15m., which will fall due on February 1, of the years 1982 through 1986. Early redemption, in whole or in part, is not permitted. The bonds each amount to Fls.1,000 nominal. Interest is payable annually on February 1, with the first pay-ment on February 1, 1977.

Amro added that an official Amsterdam Stock Exchange list-ing will be applied for and that subscriptions can be entered on January 15. Payment for the bonds allotted, plus three days' interest, is to be effected on February 4. The prospectus will be published on January 7.

The announcement added that Eurofima is engaged in financing railroad rolling stock, principally for its shareholders, pursuant to equipment financing contracts under which Eurofima retains title to the equipment. The 16 European Governments, whose national railways are the sole shareholders of the company, are either directly liable for, or guarantee the obligations of their respective national railways to Eurofima.

# Lucas Bols pays same

AMSTERDAM, Jan. 5.

KONINKLIJKE Distilleer-en Lucas Bols is paying a interim dividend of one ler (same).

e company that repeated earnings are expected to be v 1974, but that the fall would be less in percentage terms than that of the first half, when pre-tax profit fell to Fls.4.4m. (Fls.9.4m.). Earnings in 1974 were Fls.16.9m. (Fls.17.7m.).

Reuter

# Boom in 1975 for Eurobonds

By Pauline Clark

MUCH HELPED by recovery of the U.S. dollar and a final rush of new Eurobond issues in December, 1975 goes down as an all-time record year for the primary Eurobond market.

Total new issues for the year, according to latest figures from Credit Suisse White Weld, amounted to more than an equiv-alent $7bn. against $1.8bn. in 1974.

While the previous year was a particularly bad year for Euro-bonds as investors withdrew from long-term commitment of funds and lay low during the worst of the U.S. recession, the 1975 new issue figure still compares very well with the previous record in 1972 of around $5.6bn. Last month's figure, meanwhile, did much to top up the total with bonds worth an equivalent $783m. having come to the market against $499m. in Novem-ber.

Also of special note in the last half of 1975 was the sudden surge of Canadian dollar issues which, according to the bank's calculations, reached a total equivalent $560m. Kuwaiti dinar issues also increased to an equivalent $123m. as Kuwait financial houses and other Arab financiers became more closely involved in Euromarket activi-ties both as investors and as underwriters.

The majority of issues re-mained in U.S. dollars totalling some $3.1bn and Deutsche Mark issues came second with a total equivalent for the year of more than $1.7bn. At the other end of the scale, the total of issues in the International Monetary Fund's currency unit, Special Drawing Rights, remained un-changed from the figure reached through just three issues last summer totalling an equivalent $174m.

Other U.S. dollar equivalent totals for new issues in other currencies were $587m. in Guilders, $381m. in European Units of Account, $287m. in French Francs, $77m. in Belgium Francs, $45m. in Norwegian Crowns and $37m. in European Currency Units.

# Sales growth at Carrefour

By Rupert Cornwell

PARIS, Jan. 5.

THE FRENCH store group Carrefour to-day reported a rise of almost 17 per cent. in sales to Frs.5.7bn. (£630m.) last year from Frs.4.9bn. in 1974. In December turnover climbed by almost 15 per cent. to Frs.686m.

This growth—impressive as it is in a recession year—is none-theless smaller than that fore-cast as recently as September in the prospectus accompanying the Frs.330m. convertible bond issue of the group.

On that occasion Carrefour spoke of a sales growth of 20 per cent. in 1975 accompanied by a 15 per cent. expansion of trading profits. The slackening, however should be only temporary. Next year the group should gain from the opening of three new hyper-markets in France and four abroad.

The trend for profits is not clear. Pre-tax first half earnings rose to Frs.84.1m. from Frs.79m., in line with forecasts, But the comparatively modest increase is attributed to the tight control of margins introduced by the government as part of its anti-inflation policy.

## SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer |
|---|---|---|
| Aquitaine 10pc 1985 | 102¼ | 103¼ |
| Ashland 9pc 1987 | 91 | 92 |
| Australwise 9pc 1987 | 93¼ | 93¾ |
| Bowater 9½pc 1989 | 96¼ | 96¾ |
| Broken Hill 10pc 1990 | 103¾ | 104¼ |
| Carrier 8pc 1987 | 90¾ | 91¼ |
| Conoco 8pc 1984 | 98¼ | 98¾ |
| Consol. Foods 7¾pc 1991 | 88¼ | 89¼ |
| Cutler Hammer 8pc 1987 | 92¼ | 93¼ |
| EIB 9pc 1985 | 101½ | 102½ |
| ERAP 9½pc 1985 | 101 | 102 |
| Esso 8pc 1986 Nov. | 99½ | 100½ |
| General Cable 8½pc 1987 | 90 | 91 |
| General Motors 8½pc 1985 | 103 | 104 |
| Granges 9½pc 1985 | 98¼ | 99¼ |
| GTE 9½pc 1985 | 96 | 97 |
| New Zealand 9½pc 1982 | 102 | 103 |
| Pacific Light 8pc 1988 | 91¼ | 92¼ |
| Prov. of Quebec 7¾pc 1983 | 87½ | 88½ |
| Quebec Hydro 8pc 1989 | 99¼ | 100¼ |
| Scanraff 8½pc 1988 | 98 | 99 |
| Shell 8pc 1990 | 98 | 99 |
| Stand. Oil (Ind.) 9pc '80 | 100¾ | 101¼ |
| Tenneco 7¾pc 1987 | 89 | 90 |
| Transocean 8pc 1986 | 99¼ | 100¼ |
| Utah 8pc 1987 | 95¾ | 96¾ |
| Volvo 9½pc 1985 | 101¼ | 102¼ |
| NOTES | | |
| Air France 9½pc 1982 | 102 | 103 |
| Ardal 9½pc 1980 | 101¼ | 102¼ |
| Australia Ind. 10½pc 1981 | 103 | 104 |
| Barclays 9½pc 1982 | 100¾ | 101¾ |
| Cie Natl. Rhone 10pc 1982 | 103¾ | 104¾ |
| Du Pont 7¾pc 1978 | 101¼ | 102¼ |
| Esso 7¾pc 1978 | 100¾ | 101¼ |
| General Motors 8½pc 1978 | 100¾ | 101¼ |
| Montreal 9½pc 1981 | 103¼ | 103¾ |
| Nippon Steel 9½pc 1980 | 99½ | 100½ |
| Norway 9pc 1980 | 102 | 103 |
| Skandinaviska E. 10½pc '81 | 104¼ | 105¼ |

Source: White Weld Securities.

| CONVERTIBLES | Bid | Offer |
|---|---|---|
| American Express 4¼pc '87 | 85 | 87 |
| Ashland 5pc 1988 | 90 | 92 |
| Beatrice Foods 4½pc 1992 | 95 | 97 |
| Beatrice Foods 4¾pc 1992 | 102 | 104 |
| Borden 5pc 1992 | 94 | 96 |
| Broadway Hale 4½pc 1987 | 78 | 80 |
| Canon Camera 7pc 1990 | 92 | 96 |
| Carnation 4pc 1987 | 84 | 86 |
| Chevron 5pc 1988 | 96 | 98 |
| Dart 4¾pc 1987 | 83 | 85 |
| Eastman Kodak 4½pc 1988 | 119 | 121 |
| Economic Labs. 4½pc 1987 | 78 | 80 |
| Fed. Dept. Stores 4½pc '85 | 127 | 129 |
| Firestone 5pc 1988 | 88 | 90 |
| Ford 6pc 1986 | 88 | 90 |
| Ford 5pc 1988 | 77 | 79 |
| General Electric 4¼pc 1987 | 85 | 87 |
| Gillette 4¾pc 1987 | [illegible] | [illegible] |
| Gould 5pc 1987 | [illegible] | [illegible] |
| Gulf and Western 5pc 1988 | [illegible] | [illegible] |
| Harris 5pc 1992 | [illegible] | [illegible] |
| Honeywell 6pc 1986 | [illegible] | [illegible] |
| ITT 4½pc 1987 | [illegible] | [illegible] |
| J. Ray McDermott 4¾pc '87 | [illegible] | [illegible] |
| Mitsui 7½pc 1990 | [illegible] | [illegible] |
| Mitsubishi Elec. 5¾pc 1991 | [illegible] | [illegible] |
| J. P. Morgan 4¾pc 1987 | [illegible] | [illegible] |
| Nabisco 5½pc 1988 | [illegible] | [illegible] |
| Owens Illinois 4½pc 1987 | [illegible] | [illegible] |
| J. C. Penney 4½pc 1987 | [illegible] | [illegible] |
| Revlon 4½pc 1987 | [illegible] | [illegible] |
| Reynolds Metals 5pc 1988 | [illegible] | [illegible] |
| Sperry Rand 4¾pc 1987 | [illegible] | [illegible] |
| Squibb 4½pc 1987 | [illegible] | [illegible] |
| Texaco 4¾pc 1988 | [illegible] | [illegible] |
| Union Carbide 4½pc 1982 | [illegible] | [illegible] |
| Warner Lambert 4½pc 1987 | [illegible] | [illegible] |
| Warner Lambert 4¾pc 1988 | [illegible] | [illegible] |
| Xerox 5pc 1988 | [illegible] | [illegible] |

Source: Kidder Peabody Securities.

# Sony announces establishment of dual leadership system

BY CHARLES SMITH, FAR EAST EDITOR TOKYO, Jan. 5.

SONY CORPORATION to-day announced a series of sweeping management changes involving the establishment of a dual leadership system with responsi-bility for longer range inter-national policy making and for day-to-day management held by different executives.

The changes involve the eleva-tion to "Honorary Chairman of the Board of Directors" of 67-year-old Mr. Masaru Ibuka, the founder of Sony, who has been Chairman until now. Mr. A. Morita, co-founder and hitherto President, becomes Chairman and Chief Executive. He is succeeded by Mr. Kazuo Iwama, formerly Deputy President, who now holds the titles of President and Chief Operating Officer. Mr. Morita explained in a Press con-ference to-day that he would spend much of his time abroad, particularly with a view to building an effective team relationship between Sony's top management in Tokyo and the local executives who are taking charge of many of the company's overseas operations. Mr. Iwama's responsibility would be for day-to-day management in Tokyo.

Sony also announced to-day the appointment of a 45-year-old vice-president, Mr. Norio Ohga, who is young for the post by Japanese standards, and the establishment of a special execu-tive advisory committee. The executive advisory committee will be chosen from key members of the Board of directors and will meet periodic-ally under the Chairmanship of Mr. Ibuka to consider long range policy issues. The committee will also review Sony's situation in the light of the quarterly consolidated business statements which the company now pub-lishes.

Members of the executive advisory committee will include two recent external appointees to the Board of directors, Mr. Yusuke Kashiwagi, vice-presi-dent of the Bank of Tokyo and Mr. Goro Koyama, Chairman of Mitsui Bank.

Sony's management changes, announced at the start of the year which marks the company's 30th anniversary, are billed as being part of an organisational change which will lead to still greater internationalism. Sony nows sells more than half of its products abroad and in the past few years has moved rapidly into overseas manufacturing. The Sony factory in Wales, the acquisition of the Vega group in West Germany and the building of a tape factory in the U.S. have been parts of this process. Sony says it is determined to use native business talent, particu-larly in western countries, for the management of its overseas operations. It plans to retain the bulk of its research effort within Japan but to shift the emphasis of manufacturing progressively away from Japan to the outside world.

# Mercantile finds more assets

BY JAMES FORTH SYDNEY, Jan. 5.

THE BOARD of Mercantile Mutual Insurance, fighting to stave off a $A28m. takeover offer from Australian Guarantee Corporation, now says that the net asset backing of the company is not less than $A45m., or $A5.13 a share. This is up from the $A42.06m., or $A4.79 men-tioned by Mercantile directors two weeks ago when rejecting AGC's initial cash offer of $A2.75 a share. At the time AGC first made a move Mercantile Mutual's stated asset backing was $A4.07 a share, but this was increased by a $A9.5m. surplus on revalua-tion of assets. Shortly before AGC raised its bid to $A3.25 a share. The latest assessment of the company's worth is backed up by a merchant bank, Citi-national Capital Corporation, and the company's auditors Robert-son, Darling and Wolfenden.

Mercantile directors to-day sent a statement to stock exchanges which included a report from the company's advisers.

A summary of advice from the advisers was necessary under new stock exchange rules which came into effect on December 31. If directors seek advice from an independent expert, the name of the adviser must be stated and a summary of the advice published. Mercantile Mutual is the first company affected by the new requirement.

In to-day's statement, Mercan-tile Mutual directors said that one reason why they were opposed to the bid was that it would further increase the con-centration of economic power. AGC, Australia's largest finan-cier, is 58 per cent. owned by the Bank of New South Wales, which was Mercantile Mutual's banker until the company recently switched its business.

The Mercantile Mutual Board said that such a concentration would transform the local finan-cial scene. They pointed out that in the U.S., ownership or acqui-sition of an insurance company by a bank is illegal because it is considered contrary to the public interest. The AGC bid is described as inadequate with regard to current and future profits, asset value and the good-will and skills of Mercantile Mutual. The directors repeat their expectation of a record profit for 1975-76, and question whether AGC can assist the group to grow and prosper. They point out that AGC's wholly-owned in-surance subsidiaries made seven underwriting losses in the past eight years while Mercantile Mutual incurred underwriting losses only twice in the past 42 years.

# Esso Pakistan talks

BY IQBAL MIRZA KARACHI, Jan. 5.

THE GOVERNMENT of Pakistan and Esso Eastern Inc. are under-stood to have reached an agree-ment under which Pakistan will buy all the assets and liabilities of Esso's marketing operations in Pakistan. Although the buy-ing price is not yet known, Esso's offer to the government was for 80m. Rupees. However, this offer was not accepted by the government and the company was asked to revise its offer. The terms and conditions are now believed to have been finalised and an announcement is expected soon.

Esso Eastern Inc., according to usually reliable sources, has further agreed to reinvest the money in developing more gas wells at the Mari gas field dis-covered by Esso instead of remitting the capital to its head office in Houston. Esso had very cleverly tied up the sale of its marketing and refining interests with the development of the Mari gas field, knowing that the government cannot afford delays in the development of the gas field on which it proposes to set up two large fertiliser plants.

Although the Esso manage-ment has claimed that the sale of its marketing assets in Pakis-tan will have no adverse effect on the investment climate, its employees believe that the pull out of Esso—the largest single foreign investor in Pakistan—will symbolise the beginning of American disinvestment in Pakistan. It is feared that Esso's departure would be a signal for other foreign inves-tors to follow suit, as the Exxon corporation enjoys the highest rating among multinational com-panies for the politico-economic assessment of business environ-ments in developing countries.

# Moderate growth at C. G. Smith

By Richard Rolfe

JOHANNESBURG, Jan. 5.

INTERIM figures from C. G. Smith Investments, the Natal conglomerate with major inter-ests in sugar and textiles, show a moderate rise in net profits to the end of September from R6m. to R6.6m.

Earnings per share improved from 18.9c to 20.9c for the period but the dividend was pegged at 6c. However, the Board expects that results for the full year will exceed those for the previous year and so some increase on the old 12c final is possible. In the meantime, the shares at 230c yield a historic 7.8 per cent. and the company is capitalised at nearly R75m.

The structure of the under-lying holdings has been changed radically over the past year. The textile interests have been con-solidated, via the scheme of arrangement between ropes and mattings, tapsa and feltex, into the streamlined, quoted Romatex Group, which is now a subsidiary of C. G. Smith. More recently, the scheme of arrangement be-tween the sugar interests, held via Gledhow and Reynolds, aimed at consolidating the two into the big group to be known as C. G. Smith Sugar. The tidy-ing-up process, the Board says, "will result in positive benefits for shareholders in the future."

# Woolworth December sales rise

NEW YORK, Jan. 5.

F. W. WOOLWORTH said that sales for the four weeks ended December 23 rose by 12.1 per cent. to $723.3m. from $645.3m. in the same period of 1974.

For the 48 weeks ended on the same date sales rose by 10.3 per cent. to $4.3bn. from $3.9bn. in 1974.

Woolworth added that the latest results do not include Christmas Eve sales, which it called "traditionally brisk."

Reuter

# Heineken owns over 95% of Albra

PARIS, Jan. 5.

HEINEKEN International now owns over 95 per cent. of the French brewery Ste Alsacienne de Brasserie (Albra) as a result of a bid for the outstanding shares of the firm in which it already held 71.34 per cent., the Brokers Association has stated.

Albra has 8 per cent. of the French beer market and is the third largest in size among French brewers.

Reuter

# WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

## Further 4.88 rise in early trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 5.

FURTHER GAINS were scored on Wall Street to-day, with many investors returning from a long holiday week-end and little in the way of bad news to hinder the Stock Market.

By 1 p.m. the Dow Jones Industrial Average was up another 4.88 at 863.59 and the NYSE All Common Index further advanced 34 cents to $48.38, while rises

**Closing prices and market reports were not available for this edition.**

maintained a lead of about four-to-one over declines. Trading volume more than doubled at 11.75m. shares, compared with 5.27m. at 1 p.m. last Friday.

Analysts said the Federal Reserve Board may have inspired some buying when it reported late Friday the nation's money supply declined by $100m. in the latest reporting week, following a $1bn. drop the week before. Observers said the declines would allow the Fed. to maintain an accommodative monetary policy.

In light of the Fed. news, banking issues were higher in fairly active trading. Chemical Corpn. gained $1½ to $31⅞. J. P. Morgan $½ to $55, Chase Manhattan $⅛ to $29 and Bankers Trust $⅞ to $30⅞.

Some Petroleum issues posted good gains—President Ford signed a Proclamation lifting the $2-a-barrel tariff on imported oil. Exxon moved up $⅞ to $90⅞, Mobil Oil $1 to $48⅞, Texaco $½ to $24¾, Helmerich and Payne $½ to $33½ and Superior Oil $3 to $169.

Chrysler gained $½ to $11⅞—its U.K. unit signed a Formal Agreement with the British Government covering a financial rescue plan.

Ford Motor also added $½ at $44⅞, following mid-December car sales up 42 per cent. from the mid-December period of 1974.

Steels responded to expectations of a better year.

The American SE Market Value Index moved up 0.71 to 85.02, while the trading volume sharply expanded by 590,000 shares to 1.10m. compared with 1 p.m. last Friday.

Germans were firm, Americans and Oils rose, while Dutch, Golds and Coppers were steady.

BRUSSELS—Generally higher in increased trading, following a heavy flow of initial orders for both the Cash and Forward Markets.

Foreign stocks were particularly active, with all sectors higher. Dutch issues were outstanding, with Akzo up 14 per cent.

AMSTERDAM — Market continued firm in active trading, aided by the less sombre Dutch Central Bank third quarter economic review.

KLM further advanced Fls.3.5 to 82.5 on a U.S. report urging a merger of KLM, Sabena and Luxair.

Ahold were up Fls.2.50 to 103.5, VMF Fls 3.80 to 185, Rijn Schelde-Verolme Fls. 3 to 178 and Macintosh Ready-made Clothing Fls. 8.20 to 98.

Bonds eased.

SWITZERLAND — Higher on Institutional demand.

Buying centred on Banks, led by Bankgesellschaft on expectations of favourable earnings for 1975.

Ciba-Geigy rose Frs.25 to 1,700 on its measures to improve earnings.

State Bonds were generally steady.

Trading was heavy in the Foreign sector, favouring German stocks which were sharply higher. Dutch Internationals also firmed, while Dollar stocks were generally steady.

MILAN—Widely lower on renewed political fears of the Italian Coalition Government falling if the Socialist Party withdraws its support.

Bonds, by contrast, scored selective gains in moderately active trading.

GERMANY—Broadly higher on Foreign and Domestic support.

Deutsche Bank rose DM2 to DM347 and Commerzbank DM2.50 to DM233.50. Electricals were firm, with Siemens up DM3.50 to DM317.50 and AEG DM4 to DM94.

Chemicals advanced across a wide front. Motors were all higher. BMW added DM3 at DM279.50, Daimler also DM3 at DM355 and VW DM3.70 at DM144.50. Machine Makers were mixed.

Steels advanced up to DM10.50, while Metals were mixed to higher.

Domestic Bonds firmed up to DM0.55, and the Regulating Banks sold about DM15m. (nominal) of stock. Foreign Mark Loans were generally firmer.

COPENHAGEN — Banks were higher while Insurances, Communications, Commodities and Industrials were mixed.

OSLO—Industrials and Shippings were easier, while Insurances were barely steady and Banks steady.

VIENNA—Leading Industrials, Constructions and Breweries were neglected, while Bonds were quietly steady.

HONG KONG—Sharply higher in very active turnover, with sentiment aided by bullish domestic economic news.

Activity centred on "second line" issues, particularly Properties and Utilities, with some switching into these issues from Blue Chips.

Jardine rose 40 cents to $HK24.30 and Hutchison 10 cents to $HK2.30.

TOKYO—Sharp gains, attributed to hopes that the country's economy will show a recovery this year. Volume 180m. shares.

Steels were particularly strong on expectations of a price recovery in the domestic market. Nippon Steel gained Y10 to Y122 and Sumitomo Metal Industries Y8 to Y133.

Constructions and Housing also advanced sharply. Maeda Road put on Y11 to Y466, Tokai Kogyo Y14 to Y369, Daisue Construction Y10 to Y258, and National House Y10 to Y620.

Some Shippings fell.

JOHANNESBURG—Gold shares were firmer, following renewed interest from London as well as small Local demand.

Financial Minings were also firmer. Coppers were little changed, Platinums were higher and other Metals were firmer.

Industrials were a shade firmer.

In Collieries, Amcoal traded at R635 in first time dealings following the merger of Amal. Coll., Cor. Coll. and SA Coal.

AUSTRALIA—Prices were firm, led by Minings, despite the Treasurer Philip Lynch's statement that the dollar would not be devalued.

Pancontinental were up 30 cents at $A9.20, after $A9.40, while Ampol Exploration were 9 cents higher at $A1.17 and Utah rose 20 cents to $A9.70.

Mercantile Credit put on 2 cents at $A3.27.

### OTHER MARKETS

## Canada still rising

Canadian Stock Markets continued firmer in light trading yesterday morning.

Alcan Aluminium were up $½ to $20½, Canadian Tire "A" $⅛ to $45⅞ and Cominco $½ to $35.

Crush International were lifted $⅞ to $8⅞, as were Royal Trust "A" to $30⅞.

PARIS—Generally higher. Oils, Publishers and Stores led most sectors up.

Carrefour gained Frs.30 to 1,990 on its higher 1975 gross turnover.

Banks and Constructions were mixed.

## Indices

### NEW YORK

DOW JONES AVERAGES

| Close | Home Bonds | Transport | Indus. | Util. | Trading volume† 000's |
|---|---|---|---|---|---|
| Jan. 2 | 69.11 | 175.69 | 858.71 | 84.84 | 10,300 |
| Dec. 31 | 69.02 | 172.65 | 852.41 | 83.65 | 16,970 |
| 30 | 69.06 | 171.21 | 852.41 | 82.69 | 16,040 |
| 29 | 68.87 | 170.85 | 856.66 | 82.79 | 17,070 |
| 26 | 68.72 | 170.68 | 859.81 | 82.73 | 10,020 |
| 24 | 68.58 | 169.18 | 851.94 | 82.12 | 11,150 |
| 23 | 68.65 | 167.20 | 843.75 | 81.19 | 17,700 |
| 22 | 68.56 | 165.85 | 838.63 | 81.35 | 15,340 |
| 19 | 68.41 | 166.95 | 844.38 | 81.18 | 17,720 |
| 18 | 68.38 | 167.81 | 852.09 | 81.42 | 18,040 |
| 17 | 68.34 | 166.09 | 846.27 | 81.32 | 16,560 |
| 16 | 68.21 | 165.52 | 844.30 | 81.35 | 19,350 |
| 15 | 68.16 | 164.54 | 836.59 | 81.13 | 13,960 |
| 12 | 68.08 | 164.78 | 832.81 | 81.00 | 13,100 |
| 11 | 68.15 | 165.11 | 832.73 | 80.94 | 15,300 |
| 10 | 68.17 | 165.07 | 833.99 | 81.03 | 16,680 |
| 9 | 68.30 | 162.53 | 824.15 | 80.65 | 16,040 |
| 8 | 68.36 | 163.14 | 821.65 | 80.65 | 14,150 |
| 1975-76 High | 69.82 (4/4) | 175.69 (2/1/76) | 881.81 (15/7) | 87.07 (24/6) | — |
| Low | 66.16 (3/1) | 146.47 (2/1) | 632.04 (2/1) | 72.02 (2/1) | — |
| All-time High | — | 279.88 (7/2/69) | 1051.70 (11/1/73) | 163.32 (20/4/65) | — |
| Low | — | 13.23 (8/7/32) | 41.22 (8/7/32) | 10.58 (28/4/42) | — |

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

| Dec. 26 | Dec. 19 | Dec. 27 1974 |
|---|---|---|
| 4.36 | 4.43 | 6.26 |

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

| 1975-76 High | 1975-76 Low | Jan. 2 | Dec. 31 | Dec 30 | Dec 29 | Dec 26 |
|---|---|---|---|---|---|---|
| 51.24 (15/7) | 37.06 (2/1) | 48.04 | 47.64 | 47.57 | 47.54 | 47.60 |

RISES AND FALLS

| Issues traded | Up | Down | Unchanged |
|---|---|---|---|
| 1,799 | 1,119 | 321 | 359 |

| | Jan. 2 | Dec 30 | Dec 29 | Dec 26 | Dec 24 |
|---|---|---|---|---|---|
| New Highs | 47 | 50 | 37 | 25 | 22 |
| " Lows | 1 | 7 | 2 | 3 | 5 |

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

| 1975-76 High | 1975-76 Low | Jan. 2 | Dec. 31 | Dec 30 | Dec 29 | Dec 25 |
|---|---|---|---|---|---|---|
| 86.80 (15/7) | 62.20 (2/1) | 84.51 | 83.46 | 82.46 | 82.65 | 82.50 |
| Volume (000's) | | 1,080 | 3,290 | 2,750 | 2,610 | 1,440 |

STANDARD AND POORS U.S. STOCK INDICES

| | *Industrials | †Composite |
|---|---|---|
| Jan. 2 | 101.64 | 90.90 |
| Dec. 31 | 100.88 | 90.19 |
| " 30 | 100.46 | 89.77 |
| " 29 | 100.90 | 90.13 |
| " 26 | 101.07 | 90.25 |
| " 24 | 100.18 | 89.46 |
| " 23 | 99.36 | 88.73 |
| " 22 | 96.85 | 88.14 |
| 1975-76 High | 107.40 (15/7) | 98.91 (15/7) |
| 1975-76 Low | 77.71 (8/1) | 70.74 (8/1) |

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

| | Dec. 31 1975 | Dec. 26 1975 | Dec. 18 1974 |
|---|---|---|---|
| Ind. Ord. yield p.c. | 3.73 | 3.75 | 5.61 |
| Ind. Ord. p/e ratio | 12.43 | 12.46 | 7.48 |
| Long-term Govt. Bds. per cent | 8.09 | 8.04 | 8.28 |

FRIDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Middle S. Ut. | 129,700 | 14⅛ | — |
| Texaco | 107,200 | 23⅞ | +⅛ |
| Chrysler | 91,600 | 11⅛ | +1⅛ |
| ITE Imperial | 88,800 | 19⅛ | −⅛ |
| Westinghouse Elec. | 85,300 | 13⅞ | — |
| Con. Edison | 84,700 | 15⅛ | +⅛ |
| Southern Co. | 81,400 | 14⅞ | — |
| Avon Products | 79,000 | 34⅞ | — |
| CITI | 75,100 | 30⅛ | +⅛ |
| Pub. Sv. Colo. | 75,100 | 16⅛ | +⅛ |

TORONTO

INDUSTRIAL INDEX

| Jan. 2 | Dec. 31 | 1975-76 High | 1975-76 Low |
|---|---|---|---|
| 173.01 | 172.31 | 196.80 (15/7) | 159.41 (2/1) |

MONTREAL

INDUSTRIAL INDEX

| Jan. 2 | Dec. 31 | 1975-76 High | 1975-76 Low |
|---|---|---|---|
| 176.62 | 175.90 | 205.01 (15/7) | 159.05 (2/1) |

COMBINED INDEX

| Jan. 2 | Dec. 31 | 1975-76 High | 1975-76 Low |
|---|---|---|---|
| 173.67 | 172.88 | 196.09 (12/7) | 158.05 (2/1) |

JOHANNESBURG

| | Jan. 5 | Dec. 31 | 1975-76 High | 1975-76 Low |
|---|---|---|---|---|
| Industrials | 213.3 | 212.6 | 236.9 (15/7) | 183.2 (22/1) |
| Gold | 226.7 | 218.3 | 379.1 (3/1) | 180.2 (9/12) |

(1958=100). Source: Rand Daily Mail.

MELBOURNE YIELDS

| Av'ge yield on 50 Leading Stocks | Dec. 29 | Dec. 18 | Dec. 4 |
|---|---|---|---|
| On Dividends | 5.89 | 6.00 | 5.92 |
| On Earnings | 9.77 | 9.94 | 9.48 |

SYDNEY ALL ORD. INDEX

| Jan. 5 | Dec. 31 | High 1975-6 | Low 1975-6 |
|---|---|---|---|
| 445.32 | 443.07 | 445.32 5/1/76 | 289.88 (9/1) |

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

| Jan. 5 | Dec. 27 | High 1975-6 | Low 1975-6 |
|---|---|---|---|
| 326.28 | 323.43 | 333.11 (2/7) | 268.24 (10/1) |

HONG KONG INDEX ф

| Jan 5 | Jan. 2 | High 1975-6 | Low 1975-6 |
|---|---|---|---|
| 361.20 | 354.53 | 361.20 (5/1/76) | 160.49 (9/1) |

SINGAPORE INDEX §

| Jan. 5 | Jan. 2 | High 1975-6 | Low 1975-6 |
|---|---|---|---|
| 257.06 | 256.35 | 268.59 (11/3) | 153.26 (2/1) |

EUROPE

| | Jan. 5 | Previous | 1975-6 High | 1975-6 Low |
|---|---|---|---|---|
| Belg'm (a) | 104.54 | 104.82 | 111.81 (15/5) | 89.07 (2/1) |
| Denm'k (b) | 101.01 | 100.51 | 101.10 (23/12) | 73.08 (13/1) |
| France (d) | 69.6 | 69.2 | 72.8 (25/6) | 51.70 (8/1) |
| Germ'y (e) | 797.0 | 788.6 | 797.0 (5/1/76) | 573.5 (2/1) |
| Holland (f) | 100.1 | 98.2 | 107.6 (6/5) | 83.2 (2/10) |
| Italy (g) | 81.79 | 83.57 | 106.86 (21/2) | 76.41 (17/10) |
| Spain (h) | — | 99.65 | 110.96 (22/4) | 91.86 (19/9) |
| Sweden (k) | (c) | 397.62 | 408.51 (12/11) | 310.56 (9/1) |
| Switz'rl'd (m) | 288.5 | 281.5 | 295.1 (6/6) | 208.4 (3/1) |

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ф Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

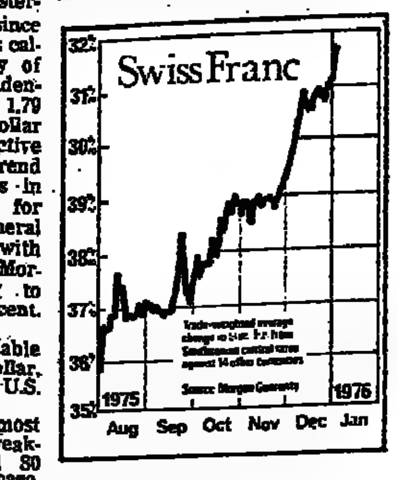
## Dollar weaker

The U.S. dollar lost ground against major currencies in the foreign exchange market yesterday, its average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, on noon rates, widening to 2.07 per cent. from 1.79 per cent. on Friday. The dollar came under pressure in active trading due partly to the trend towards lower interest rates in the U.S. A strong demand for the Swiss franc led the general advance against the dollar, with its average appreciation on a Morgan Guaranty basis rising to 31.78 per cent. from 31.13 per cent. on Friday.

The U.S. unit lost appreciable ground to the Canadian dollar, which improved to 98.52½ U.S. cents from 98.37½.

Sterling gave ground to most major currencies but on the weakness of the dollar, gained 80 points to close at $2.0320-2.0330. The pound's trade weighted average depreciation (as calculated by the Bank of England), remained unchanged at 30.0 per cent. The depreciation at noon stood at 30.1 per cent. and 30.0 per cent. in early dealings.

Gold lost $2 to close at $138-139 an ounce. The metal drifted quietly amid nervousness over the International Monetary Fund interim committee meeting in Jamaica this week. The Krugerrand finished at $143¼-145¼ (£70½-71½) for domestic delivery. Its premium over the gold content widened to 3.25 per cent. from 2.85 per cent. internationally and to 4.15 per cent. from 3.02 per cent. in domestic dealings.




SPECIAL DRAWING RIGHT RATES

| One SDR is equal to | Dec. 31 | Dec. 30 |
|---|---|---|
| Sterling | 0.578532 | 0.578846 |
| U.S. dollar | 1.17066 | 1.17008 |
| Belgian franc | 46.2733 | 46.3118 |
| Deutsche mark | 3.06982 | 3.07123 |
| French franc | — | 5.24839 |
| Italian lira | 800.205 | 800.276 |
| Japanese yen | 357.227 | 356.874 |
| Dutch guilder | 3.14732 | 3.14927 |
| Swedish krone | — | 5.15011 |

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

| Jan. 5 | Frankfurt | New York | Paris | Brussels | London | A'sterdam | Zurich |
|---|---|---|---|---|---|---|---|
| Frankf'rt | — | 2.604-605 | 58.48-58.58 | 6.63-64 | 5.289-299 | 97.58-62 | 100.32-42 |
| N York* | 38.15-20 | — | 22.55-57 | 2.530-531 | 2.024-02.0 | 37.26-28 | 38.19-21 |
| Paris | 170.775-175 | 4.456-68 | — | 11.345-360 | 9.036-.60 | 166.24-.34 | 171.6-172.0 |
| Brussels | 15.05-08 | 39.29-32 | 8.80-83 | — | 79.65-75 | 14.70-.25 | 15.11-15 |
| London | 5.28½-29½ | 2.032-033 | 9.03½-04½ | 79.70-80 | — | 5.41½-42½ | 5.25½-26½ |
| Am'erdam | 102.36-41 | 2.672-2.47 | 59.865-915 | 6.793-85 | 5.4165-4215 | — | 102.205-355 |
| Zurich | 99.51-64 | 2.589-591 | 58.15-25 | 6.675-6150 | 5.283-266 | 97.05-15 | — |

U.S. $ in Montreal. U.S. $=101.66-68 Canadian cents. Canadian $ in New York $C=98.34-36 U.S. cents U.S. $ in Milan 682.35. Sterling in Milan 1383.15. * Rates for Jan. 2.

EURO-CURRENCY INTEREST RATES*

| Jan. 5 1976 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | W. German mark | Swiss franc |
|---|---|---|---|---|---|---|
| †Short term | 9⅞-10⅛ | 5-5½ | 7¼-8¼ | 5⅝-5⅞ | 2½-2¾ | [illegible] |
| 7 days notice | 10-10⅛ | 5½-5⅝ | 8¼-8¼ | 5½-5¾ | 2¾-3 | 2¼-2⅝ |
| Month | 10¼-10⅛ | 5¼-5⅝ | 8⅛-8⅝ | 5½-5¾ | [illegible] | 2¾-3 |
| Three months | 10½-10¾ | 5½-6 | 8⅛-8⅜ | 5½-5¾ | [illegible] | 2¾-3 |
| Six months | 11⅛-11⅜ | 5⅝-5⅞ | 8⅜-8⅝ | 5½-5¾ | [illegible] | 3⅛-3⅜ |
| One year | 11⅜-11⅝ | 6⅞-7⅛ | 8⅝-8⅞ | 5⅞-6⅛ | 4⅜-4⅞ | 4-4¼ |

Euro-French deposit rate: short term 6¼-6½ per cent.; seven days' notice 6¼-6½ per cent.; one month 6¼-6½ per cent.; three months 6⅞-6⅞ per cent.; six months 7¼-7¼ per cent.; one year 8-8¼ per cent.

Longer-term Eurodollar deposit: two years 8-8¼ per cent.; three years 8¼-8½ per cent.; four years 8½-9¼ per cent.; five years 9¼-9¾ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5¼-5½ per cent.; three month 5⁹⁄₁₆-5¹¹⁄₁₆ per cent.; six months 5¹³⁄₁₆-5¹⁵⁄₁₆ per cent.; one year 6¹³⁄₁₆-7¹⁄₁₆ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

| | Jan. 5, 1976 | Jan. 2 |
|---|---|---|
| Gold Bullion (a fine ounce) | | |
| Close | $138-139 | $140-141 |
| Opening | $140¼-141 | $140-141 |
| Morning fix'g. | $140.15 (£69.159) | $140.35 (£69.456) |
| Afternoon fix'g | $138.80 (£68.182) | $140.35 (£69.356) |
| Gold Coins, domestically | | |
| Krugerrand | $143¼-145¼ (£70½-71½) | [illegible] |
| New Sov'r'gns | $43¼-45¼ (£21¼-22¼) | [illegible] |
| Old Sov'r'gns | $43¼-45¼ (£21¼-22¼) | [illegible] |
| Gold Coins, internationally | | |
| Krugerrand | $142-144 (£69¾-70¾) | [illegible] |
| New Sov'r'gns | $42-43 (£20½-21) | [illegible] |
| Old Sov'r'gns | $42-43 (£20½-21) | [illegible] |
| $20 Eagles | $217-220 | [illegible] |
| $10 Eagles | $108-111 | [illegible] |
| $5 Eagles | $71-74 | [illegible] |

FOREIGN EXCHANGES

| Jan. 5 1976 | Bank Rates % | Market Rates Day's Spread | Close |
|---|---|---|---|
| New York | 6 | 2.0220-2.0350 | [illegible] |
| Montreal | 9 | 2.0550-2.0650 | [illegible] |
| Amsterdam | 4½ | 5.41-5.44 | [illegible] |
| Brussels | 6 | 79.60-80.15 | [illegible] |
| Copenh'gen | 7½ | 12.47-12.50 | [illegible] |
| Frankfurt | 3½ | 5.27½-5.31½ | [illegible] |
| Lisbon | 6½ | 55.10-55.60 | [illegible] |
| Madrid | 7 | 120.75-121.20 | [illegible] |
| Milan | 6 | 1,381-1,385 | [illegible] |
| Oslo | 5 | 11.24½-11.28½ | [illegible] |
| Paris | 8 | 9.05-9.07 | [illegible] |
| Stockholm | 6 | 8.86-8.91 | [illegible] |
| Tokyo | 6½ | 615-625 | [illegible] |
| Vienna | 6 | 37.20-37.60 | [illegible] |
| Zurich | 3 | 5.25½-5.31½ | [illegible] |

* Basic discount. ‡ Rates given are for convertible franc; closing financial franc $1.18-$1.30.

OTHER MARKETS

| | | Notes Rates | |
|---|---|---|---|
| Argentina | ♦125.48-.66 | Argentina | [illegible] |
| Australia | 1.5685-1.5945 | Austria | [illegible] |
| Brazil | 18.28-18.48 | Belgium | [illegible] |
| Finland | 7.79-7.81 | Brazil | [illegible] |
| Greece | 70.954-72.695 | Canada | [illegible] |
| H'ng Kong | 10.18-10.22 | Denmark | [illegible] |
| Iran | 138-140 | France | [illegible] |
| Kuwait | 0.586-0.596 | Germany | [illegible] |
| Luxemb'g | 79.70-79.80 | Greece | [illegible] |
| Malaysia | 5.350-5.650 | Italy | [illegible] |
| N. Zealand | 1.5492-1.5564 | Japan | [illegible] |
| Saudi Arab | 7.09-7.10 | Netherl'ds | [illegible] |
| Singapore | 5.0510-5.0585 | Norway | [illegible] |
| S. Africa | 1.7554-1.7728 | Portugal | [illegible] |
| U.S.— | | Spain | [illegible] |
| Canada | | Switz'land | [illegible] |
| C$1— | | U.S. | [illegible] |
| U.S. cents | 98.51-98.54 | Yugoslavia | [illegible] |

‡ Based on rates quoted by specialist dealers. ♦ Rate given is the free rate. Special financial rate 173.69.

FORWARD RATES

| | One month | Three months |
|---|---|---|
| New York | 0.95-0.85 c. pm | 2.40-2.30 c. pm |
| Montreal | 0.30-0.20 c. pm | 0.70-0.60 c. pm |
| Amst'dam | 2½-1⅛ c. pm | 7¼-6¼ c. pm |
| Brussels | 40-20 c. pm | 100-80 c. pm |
| Cop'nhg'n | 8-6 ore pm | 18-16 ore pm |
| Frankfurt | 4-3 pf. pm | 9½-8½ pf. pm |
| Lisbon | par-100 c. dis | par-150 c. dis |
| Madrid | par-40 c. dis | 40-90 c. dis |
| Milan | 4-2 lire pm | 9-7 lire pm |
| Oslo | 5-3 ore pm | 15-11 ore pm |
| Paris | 4-3 c. pm | 87-83 c. pm |
| Stockh'lm | 2½-1½ ore pm | 9-7 ore pm |
| Vienna | 25-10 gro pm | 70-40 gro pm |
| Zurich | 4-3 c. pm | 10¼-9¼ c. pm |

Six-month forward U.S. dollar 4.40 c. pm. and 12-month 7.83-7.85c pm.

# OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—110¼% (108¼%)

## NEW YORK

| Stock | Jan. 2 | Dec. 31 |
|---|---|---|
| Addressograph | 7⅞ | 7⅞ |
| Corning Glass | 44⅛ | 43½ |
| CPC Int'nation'l | 43 | 42⅝ |
| Crane | 47⅝ | 47⅛ |
| Crocker Nat. | 22 | 21⅞ |
| Crown Zellerbach | 35⅝ | 35⅝ |
| Johns Manville | 23⅛ | 23¼ |
| Johnson Johnson | 90⅛ | 89¾ |
| Johnson Control | 15⅛ | 15 |
| Joy Manufactur'g | 33¼ | 32¾ |
| Kaiser Alumin'm | 27⅜ | 27¾ |
| Reading | 2⅛ | 1¾ |
| Republic Steel | 27⅛ | 27⅛ |
| Revlon | 76 | 75¼ |
| Reynolds Metals | 22⅛ | 22⅛ |
| Reynolds R. J. | 62⅝ | 61½ |
| Zenith Radio | 25⅞ | 25⅝ |
| Chile 8% 1993 | †87½ | †89 |
| Peru 5% 1983 | †95 | †95⅛ |
| U.S.Treas.6¾% 1974 | †99½ | †99½ |

The remaining New York quotations and the CANADA, GERMANY, MILAN, AUSTRALIA, JOHANNESBURG (MINES, INDUSTRIALS), PARIS, BRUSSELS/LUXEMBOURG, TOKYO, AMSTERDAM, SWITZERLAND, SPAIN, COPENHAGEN, STOCKHOLM, VIENNA and OSLO share price tables are [illegible].

MILAN

| Jan. 5 | Price Lire | + or − | Div. Lire | Yld. % |
|---|---|---|---|---|
| Alitalia Priv. | 609 | −4 | — | — |
| ANIC | 780 | −30 | 60 | 7.5 |
| Ausonia Ass. | 4,200 | −110 | 150 | 3.0 |
| Bastogi | 1,193 | −47 | 70 | [illegible] |
| Breda | 2,860 | −100 | 165 | 5.7 |
| Burgo | 11,000 | −65 | 200 | 1.5 |
| Cantoni | 7,431 | −119 | 200 | 2.7 |

AUSTRALIA

| Jan. 5 | Aust. $ | + or − |
|---|---|---|
| Acrow Australia | †0.76 | ..... |
| Adelaide Brighton Cent 50c | †1.07 | +0.01 |
| Allied Mnfg. Trdg. Indus. $1 | †1.80 | +0.02 |
| Ampol Exploration | †1.17 | +0.09 |
| Ampol Petroleum | †0.70 | +0.01 |
| Assoc. Minerals | †2.70 | ..... |
| Assoc. Pulp Paper $1 | †0.95 | +0.05 |

JOHANNESBURG

MINES

| January 5 | Rand | + or − |
|---|---|---|
| Anglo American Corpn. | 4.80 | [illegible] |
| Charter Consolidated | 3.60 | [illegible] |
| East Driefontein | 11.50 | [illegible] |
| Elsburg | 2.30 | [illegible] |
| Harmony | 6.10 | [illegible] |
| Kinross | 6.20 | [illegible] |
| Kloof | 8.60 | [illegible] |
| Potgietersrust Platinum | 1.75 | [illegible] |

# FARMING AND RAW MATERIALS

## Cocoa falls back from new highs

By Our Commodities Staff

AFTER CLIMBING to new life contract highs in the nearby positions yesterday morning London cocoa prices suffered a sharp setback in late trading which left all positions down on the day.

March cocoa reached £733.5 at one stage but ended £3.25 down at £719.25 a tonne following heavy profit-taking in response to the announcement of an on-target Ghana main crop purchase figure late in the afternoon.

The low figure was inevitable because of Christmas disruptions and many speculators had bought cocoa when first indications of a 10,000 tons figure (about half the level of recent weeks) began coming in from Accra. Many of these sold out their holdings when the Ghana Cocoa Marketing Board confirmed yesterday that purchases in the 14th week of the main crop season totalled 10,353 tons. The downward trend was also encouraged by a report that Brazil had released a further 110,000 bags for export. Yesterday's figure brings the 14-week main crop total to ...691 tons against 308,441 at this stage last season.

## Sales reports hit sugar

By Our Commodities Staff

REPORTS of selling tenders to be held by Colombia and Peru brought world sugar values back sharply on the London futures market yesterday. The May position, after having traded at over ... a ton, closed at £167.625.

It was rumoured Peru would offer for sale some 27,000 tons of raw sugar, while the Colombian tender is expected to be around 12,000 tons for shipment during late February or early March.

Reuter reports from Jakarta that the Indonesian Government is to build six sugar factories in order to meet growing domestic demand, according to Agricultural Ministry officials.

## FALL IN SWISS CHEESE EXPORTS

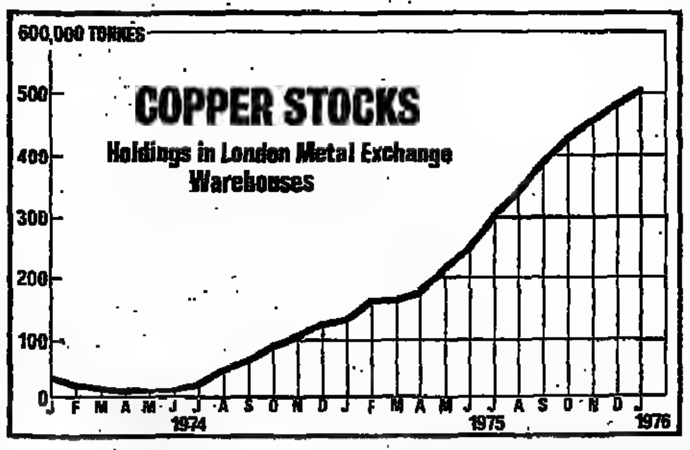
ZURICH, Jan. 5.

Swiss exports of the hard cheese types Emmentaler, Gruyere and Sbrinz were lower ... per cent. in the cheese year 1974-75 compared with the previous 12-month period. A share of over 42 per cent. of total exports went to Italy and 18 per cent. to France.

## Copper market up despite record level of stocks

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES moved up strongly in late dealings on the London Metal Exchange yesterday, despite a rise in warehouse stocks taking total holdings above the half million tonnes mark for the first time ever. Cash wirebars closed £5.75 up at £585.75 a tonne and were a further £5 higher in late kerb trading following speculative buying interest, mainly from the U.S., encouraged by unconfirmed rumours of greater American involvement in the Angolan civil war.




The latest increase in warehouse stocks, of 6,775 tonnes, raising the total in LME warehouses to 503,750 tonnes, means than stocks have risen by over 270,000 tonnes in the past year and compare with the previous peak of 192,000 tonnes reached in December 1972.

However the market has become so used to hefty stock increases during the past year that even the rise above 500,000 tonnes had little impact on prices. Of more interest yesterday were the Angolan rumours, the pessimistic estimate of the U.S. economic growth forecast for this year, and the possibility of political disruption in Chile.

A rise of 3,525 tonnes in zinc stocks to a new peak total of 73,275 tonnes was countered in the market by continued support buying, believed to be on behalf of producers, and the upward trend in copper.

Tin stocks also rose by 135 tonnes to a new peak of 7,360 tonnes, while lead stocks increased by 400 to 85,700 tonnes. LME silver holdings were unchanged at 17,830,000 ounces.

**Our Kuala Lumpur correspondent writes:** Disappointment over China's response to the call by the International Tin Council to restrain exports was expressed here by officials of the Malaysian Ministry of Primary Industries.

In a commentary recently, the New China News Agency praised efforts by the Association of South-East Asian Nations for greater regional co-operation, but said China could not see how the ITC could be successful with "imperialist nations" in the organisation.

Malaysian officials viewed the commentary as rather contradictory to China's long-professed claim of being a champion of the developing Third World countries, which are benefiting from the price stabilising role of the ITC, while Chinese tin exports (at 15,000 tons last year) are hurting the economies of developing nations.

Meanwhile is it confirmed that Malaysia is to make a bid for the chairmanshp of the International Tin Council, when the present agreement expires on June 30 and is replaced by a new pact.

Malaysian officials have been informally sounding out support among ITC members for their candidate, Mr. Peter Lai, who is currently Malaysia's permanent representative to the UN office and other international organisations in Geneva.

## Glasshouse gale damage widespread

By Our Commodities Staff

SOME £600,000 worth of damage was done to glasshouses and equipment by the week-end storms, the National Farmers' Union said yesterday, and further damage claims are being prepared.

In Worcestershire's Vale of Evesham, one of the worst hit areas, £250,000 worth of damage was done to glasshouses and 100 acres of polythene growing tunnels were destroyed. Losses in Norfolk were also put at £250,000. Practically every glasshouse in the country suffered some damage said the NFU. One new holding of an acre of glass worth £50,000 was completely wrecked.

About 30 claims for severe damage are expected in Wisbech, Cambridgeshire, and in Gloucestershire £75,000 worth of damage was reported mainly at the Land Settlement Association's holdings at Newent. Growers in Bedfordshire, Wiltshire and Devon also reported damage.

## EEC grants for farm projects

BRUSSELS, Jan. 5.

THE GUIDANCE section of the Common Market's Farm Fund has made a first payment of nearly 108m. Units of Account ust for streamlinin agricultural production in member States, the EEC's Executive Commission said here to-day.

The grants the first of a series for 1975 were used on 318 projjects, such as improving farm irrigation and constructing abattoirs and milk treatment plants.

The Commission said individual countries received the following amounts: U.K. 8.3m. UA (for 25 projects); West Germany 26.4m. UA (99); Belgium 6.2m. UA (34); Denmark 5.2m. UA (10); France 19m. UA (34); Ireland 6.6m. UA (14); Italy 28m. UA (63); Luxembour 15,000 UA (one); Netherlands 8.1m. UA (38).

Reuter

## JUTE EXPORT PRICE RAISED

DACCA, Jan. 5.

Bangladesh has increased the export price of raw jute to £164 a tonne from an average £163, as from January 2, Mr. M. I. Rahman, Jute Secretary, announced here to-day.

Reuter

EEC FARM POLICY

## Future of marketing Boards at stake

BY ROBIN REEVES

THE WHOLE QUESTION of the compatibility of U.K. agricultural marketing Boards with European Community rules now seems likely to be thrashed out in the coming months.

It has been brought out into the open by the EEC Commission's proposal for a Common Potato Regime, published just before Christmas. Community adoption of this scheme, as it stands, could mean the end of the British Potato Marketing Board as presently constituted.

The Board's power to regulate the national potato acreage by a system of quotas and to maintain a guaranteed price by, if necessary, intervention stockpiling with the help of Government subsidies would disappear. In its place would be a more laissez-faire arrangement, encouraging Common Market production to gravitate to the areas best suited for potato growing.

The U.K. Government has evidently not yet decided how to react to the Commission's proposal. But it seems likely to argue, as it has done in the past, that the Potato Marketing Board like those for hops and, most important of all, milk, are more than just glorified producer co-operatives. It can point as well to the EEC fishing regulations which allow for compulsory membership of a co-operative once a certain number of fishermen have decided to set one up.

It is true that producer co-operative groups have been long encouraged under the CAP.

The draft potato scheme, indeed, envisages special subsidies being given to encourage their formation. However, those EEC members that have been pressing hard for a Common Potato Regime—notably Belgium and the Netherlands—are likely to argue that there is a world of difference between a producers' co-operative and a national marketing monopoly.

Furthermore, they will have at their elbow the European Court ruling in the infamous Charmasson case. In response to a complaint by M. Charmasson, a French banana importer, the Court condemned France's restrictive banana marketing arrangements on the grounds that they contravened Article 3 of the Treaty of Rome requiring the free circulation of goods throughout the Community. But in doing so, the European Court condemned all national organisations of markets, as illegal except during a transition period.

### Hot potatoe

It defined national organisations as "a series of legal measures giving control of the market in the products concerned to the public authorities, with a view to ensuring through growth in productivity, and maximising labour efficiency, a fair standard of living for producers, market stability, security of supplies and a fair price to the consumer."

The point is that such objectives effectively apply to the U.K. agricultural marketing Boards and, indeed, the national organisation of markets for products such as sheepmeat, alcohol, vinegar, and even perhaps cut flowers.

Faced with this interpretation of EEC rules, Mr. Fred Peart, the U.K. Minister of Agriculture, is likely to be hard put to argue convincingly that the Potato Board, or the Milk and Hops Boards, are still compatible with a Community regime, on the grounds that they need not interfere with intra-EEC trade in these products.

The issue is not likely to become a "hot potato" until after the farm prices package for the 1976-77 season has been settled, next month. But all interested parties will be looking for a settlement of the question—one way or the other—sometime this year.

The Commission feels that the Charmasson case has certainly set a deadline of January 1, 1978 (when the new members' transition period ends)

At the last Council of Agricultural Ministers, the signs were that British and French reservations may have buried Commission plans for an interim sheepmeat policy '

## Modest bacon price rise likely

BY RICHARD MOONEY

BACON PRICES, already at record levels, will probably continue to rise during 1976, Mr. Alistair Duff, newly-elected chairman of the British Bacon Curers' Federation, said in London yesterday. But the rises are likely to be modest compared with those for other foods, he added.

Introducing the third annual joint bacon and eggs advertising campaign financed by the Federation and the Eggs Authority, Mr. Duff said price rises for both products in the coming year should be well short of the 17 per cent. increase projected in the all-foods index. He said the cost of an egg and bacon breakfast might rise by 10 per cent. but stressed that this was the "absolute peak" and that any rise in egg prices was likely to be well below this level.

Mr. Adrian Collingwood, the Eggs Authority chairman, said eggs would continue to be in plentiful supply during 1976. He said the current depressed state of the market was not really the result of over-production but rather of seasonal disruptions at the retail end of the market over the Christmas and New Year period. The Authority has nevertheless decided to reintroduce its scheme for the culling of laying birds.

The principle behind the scheme, which will work in the same way as the one operated in 1974, is to counteract insufficient processing facilities by the provision of alternative outlets where the unwanted hens can be disposed of, such as animal feed, fertiliser and glue factories. The Authority is prepared to aid farmers in disposing of up to 300,000 birds in this way. A subsidy will be paid to compensate for the lower prices received. This will be fixed weekly, starting at 2.5p a lb. this week.

"Producers need at least 27p a dozen to break even on eggs," Mr. Collingwood said. He added that this was equivalent to 39-40p retail, a price which was not achieved for most of 1975.

Mr. Duff said bacon supplies would still be short this year with pigs remaining expensive for curers. He warned that beef could become very expensive late in the year and that this would force up the pork price, attracting pigmeat away from the bacon curers.

## 'Almost misled by militants'

BY JOHN CHERRINGTON

1975 WILL long be remembered by British farmers as a year of extremes when the weather, inflation, subsidised imports and an over-valued "Green Pound" induced some farmers to believe that disaster was just around the corner said Lord Armstrong, chairman of the Midland Bank, in a speech prepared for the Oxford Conference dinner last night.

"The militants almost had people believing it. What a good job there were some more balanced views to prevail," he said.

"I would suggest that the exaggerated views of the small minority which got many of the headlines because they chose to use sensational phrases and expressions did little good, if not actual harm to the industry in the long term. You can cry wolf too often," Lord Armstrong added.

He criticised the concept of unified production policies in nine countries under the EEC Common Agricultural Policy because it discarded the advantage of countervailing supply balances which existed when each country pursued its own agricultural plan.

"We cannot as a Community continue to follow a policy which will envisage a continuing increase in the size of a mountain (of surplus produce) by paying prices at intervention level which bear little relationship to world market values," he said.

He thought there was little scope for further price rises and mentioned the system of beef pricing with variable premia at present operated in Britain, as the best way of ensuring farmers' margins but only those of the most efficient farmers.

Lord Armstrong appears to be hankering for a return to some form of deficiency payments system and it will be interesting to see if his remarks are referred to during this morning's papers at the Oxford Conference. These deal with the Common Market generally, and are followed by practical reports of farming systems. The conference is being held at the Town Hall, Oxford.

# COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER—Up again on the London Metal Exchange. Prices opened on a note reflecting the tone of U.S. ... last Friday but then they ... following the large increase in already record warehouse stocks coupled with profit-taking. Forward ... fell from £604 to £599 but then ... strongly owing to fresh interest ...

... unconfirmed rumours concerning increased U.S. military involvement in Angola. Turnover 17,100 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at ...

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | | £ | £ |
| Cash | 3075-7 | +5.5 | 3075-8 | +3 |
| 3 months | 3137-8 | +8.5 | 3137-8 | +8.5 |
| Settlem't | 3077 | +6 | — | — |
| Standard | | | | |
| Cash | 3075-7 | +5.5 | 3075-8 | +3 |
| 3 months | 3137-8 | +8.5 | 3137-8 | +8.5 |
| Settlem't | 3077 | +6 | | |

... of a wheat booking from West Australia to Alexandria at $19.50 free discharge for Jan. and another from Geelong and Portland to Alexandria at $21 f.d. for Jan. Miscellaneous trading included petroleum coke from Port Arthur to Ghent/Netherlands at $5.10 f.i.o. for early Jan. Timecharter inquiries included the voyage from Bangkok to the Middle East Gulf with a vessel of 12,000-14,500 long d.w.t. in Jan., and a voyage from Singapore to South Africa with a vessel of 5,000- ...

Wheat—Milling Jan. ... Denaturable Jan. ... nominal. Barley—Feed Jan.- ...

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, fairly steady. Close: Jan. 64.70, March 66.50, May 68.35, Sept. 66.15, Nov. 69.20. Business: Jan. 64.70-64.20, March 66.75-66.30, May 68.30-67.85, Sept. 65.20-65.05, Nov. 69.20-69.05. Barley, fairly steady. Close: Jan. 63.40, March 65.45, May 67.40, Sept. 65.20, Nov. 67.20. Business: Jan. 63.40-63.10, March 65.35- ... May 67.55-67.00, Sept. 65.20-65.10.

## COFFEE

## RUBBER

## SILVER

## SOYABEAN MEAL

## COCOA

## GRAINS

## FREIGHTS

## SUGAR

## WOOL FUTURES

## JUTE

DUNDEE—Firmer with few offers being made. Values c. and f. U.K. for Jan.-Feb. shipment: BWC £193, BWD £183. Tossa: BTB £204, BTC £194, BTD £185. Calcutta goods firm. Quotations c. and f. U.K. for Jan. shipment: 10-oz., 40-inch £7.23, 7½-oz. £5.38 per 100 yards: Feb. £7.37 and £5.51; March £7.51 and £5.65. "B" Twills: £21.51, £21.96 and £22.06 for the respective shipment periods. ...

## MEAT/VEGETABLES

## COTTON

## LEGAL NOTICES

## AIRCRAFT FOR SALE

## PERSONAL

## PRICE CHANGES

Prices per ton unless otherwise stated.

| | Jan. 5 1976 | + or — | Month ago |
|---|---|---|---|
| **Metals** | | | |
| Aluminium (w) | £420 | | £420 |
| Free Market (cif) | £385-545 | | £345-545 |
| Copper | | | |
| Cash Wire Bars (w) | £585.75 | +5.75 | £567.25 |
| 3 months do. do. (w) | £605.75 | +5.75 | £587.75 |
| Cash Cathode (w) | £574.5 | +7.5 | £555.5 |
| 3 months do. (w) | £594.5 | +7.5 | £575.25 |
| Gold ......Troy oz. | $138.5 | —2.0 | $137.25 |
| Lead Cash (w) | £168.25 | +1.8 | £165.125 |
| 3 months (w) | £175.5 | +1.0 | £172.25 |
| Nickel (w) | £2,422.5 | | £2,415 |
| Free Market (cif) (lb) | $1.8-2.05 | | $1.8-1.88 |
| Platinum troy oz. | £76½-81½ | | £78½-81½ |
| Free Market | £71.6 | —0.4 | £70.4 |
| Quicksilver (76lb) (w) | $75-80 | | $73-82 |
| Silver Troy oz. | 207.05p | +1.25 | 199.15p |
| 3 months | 215p | +1.3 | 204.55p |
| Tin Cash (w) § | £3,076.5 | +3.0 | £3,026.5 |
| 3 months (w) | £3,137.5 | +8.5 | £3,096.5 |
| Wolfram 22.04lb. cif | $42-44 | | $42.5-44 |
| Zinc Cash (w) § | £346.75 | +3.0 | £341.875 |
| 3 months (w) | £358.625 | +2.875 | £352.75 |
| Producers (w) | $795 | | $390 |
| **Oils** | | | |
| Coconut Malayan | † | | † |
| Groundnut | | | |
| ... | £377 | | £382 |
| Linseed Crude (w) | † | | £377 |
| Palm Malayan (w) | † | | £187 |
| Soyabean (u) | † | | † |
| **Seeds** | | | |
| Copra Philipp ton | $207.5 | —8.5 | $215 |
| G'nuts Nigerian | † | | † |
| Linseed Can No. 1 | £151.25 | —1.75 | £156 |
| **Grains** | | | |
| Barley EEC | £65 | +0.5 | £67 |
| Home Futures | £63.4 | +0.5 | £62.9 |
| Maize | | | |
| French No. 3 Am. | £65.5 | | £66.25 |
| S.A. Yellow | £57.25 | | £57.25 |
| Wheat | | | |
| No. 1 Red Spring | † | | † |
| No. 2 Hard Winter | † | | † |
| Australian (f.a.q.) | † | | † |
| English Milling | £65.5 | +1.0 | £67 |
| Cocoa Shipment (u) | £756.5 | —5.5 | £698 |
| futures March | £719.25 | —3.25 | £574.5 |
| Coffee Shipment (c) | † | | † |
| futures Mar. (u) | £785.5 | —5.0 | £740.5 |
| Cotton 'A' Index cent | 63.35* | +0.75 | 56.5 |
| Jute LJABWC (d) | £195 | | £195 |
| Rubber ......kilo | 38.25p | —0.25 | 34.25p |
| Sisal KA3L (u) | £500* | | £550 |
| Sugar (Raw) | £167 | +2.0 | £148 |
| Wooltops 64s ......kilo | 210p | | 210p |
| Cloves (Madagascar) | £2,480 | | £2,480 |
| Pepper White ......ton | £945 | | £935 |
| Black ......ton | £750 | | £755 |

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. o Seller's quotation. h Jan.-March. u Metric tons. r Sept.

## INDICES

**FINANCIAL TIMES**

| Jan. 2 | Dec. 31 | Month ago | Year ago |
|---|---|---|---|
| 174.42 | 173.58 | 169.35 | 181.60 |

(Base: July 1, 1952=100)

**REUTER'S**

| Jan. 5 | Jan. 2 | Month ago | Year ago |
|---|---|---|---|
| 1183.5 | 1180.9 | 1145.9 | 1170.6 |

(Base: Sept. 18, 1931=100)

**DOW JONES**

| Dow Jones | Jan. 2 | Dec. 31 | Month Ago | Year ago |
|---|---|---|---|---|
| Spot | 298.92 | 296.33 | 290.48 | 351.95 |
| Futures | 289.82 | 287.88 | 280.07 | 351.24 |

(Average 1924-25-26=100)

**MOODY'S**

| Moody's | Dec. 30 | Dec. 29 | Month ago | Year ago |
|---|---|---|---|---|
| Staple Commod'y | 750.2 | 751.5 | 743.8 | — |

(Dec. 31, 1931=100)

GRIMSBY FISH—Supply fair and demand good. Prices per stone at ship's side (unprocessed): Shelf Cod £3.00-£4.00, Codlings £1.80-£2.40, Large haddock £3.80, Medium haddock £3.40, Plaice £4.00, Best Small plaice £3.50, Rock Fish £1.40-£3.00, Reds £1.30-£3.00, Saithe £1.20-£2.10.

## Welsh quality lamb gets red dragon mark

By Our Aberystwyth Correspondent

WELSH LAMB will be appearing in butchers' shops in many parts of Britain in 1976 stamped with the red dragon of Wales. The new emblem is the trade mark of the Welsh Quality Lamb Producer Co-operative Marketing Company based at Aberystwyth.

Whether or not the dragon trademark will be used universally depends on negotiations between Welsh Quality Lamb and its wholesale customers, who buy the live lambs and slaughter them for retailers.

The co-operative, set up in 1970, handled the sale of 160,000 lambs from Welsh farms last year and it is anxious to get its high-quality commodity branded. The lamb is sold from the West Country to Manchester and some finds its way into London shops.

"Welsh pastures produce some of the sweetest-tasting lamb in the world and we would like to see our lamb identified so that more people are made aware where the best meat of its kind originates," said Mr. Harold Oliver, the manager of Welsh Quality Lamb.

## Danish output of fishmeal to decline

WASHINGTON, Jan. 5.

DANISH FISHMEAL output in 1975 is expected to be 10 per cent. below the 285,000 tonnes produced in 1974, according to a U.S. Agriculture Department (USDA) report from Copenhagen.

It said the fishing industry has been upset during the past year through over-expansion, lower meal and oil prices, rising costs and pressure to conserve falling fish stocks.

The report said the decline in Danish meal output should have a favourable impact on world demand for oilseeds and oilseed products. The present outlook is that fishmeal production may be off again in 1976, and will face a further decline in the longer term.

Reuter

## TIN BUYING PLEA BY MALAYSIA

IPOH, Jan. 5.

MR. PAUL LEONG, Malaysia's Deputy Primary Industries Minister, urged consumer countries to buy tin only from members of the International Tin Agreement to make China and Burma join the agreement, reports Reuter.

The current tin market remains depressed because of the economic recession and the export of large quantities by China and Burma. Together the two exported nearly 20,000 tonnes of the metal last year, Mr. Leong said.

Meanwhile, he noted the Tin Council allotted Malaysia 13,952 tonnes of tin for export during the first quarter of this year—a 33.02 per cent. cut from the corresponding period last year.

# STOCK EXCHANGE REPORT

# Equity leaders fade after fresh early improvement

## Share index down 3.2 at 381.6—Gilts mixed

**Account Dealing Dates**
**Option**

| *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Dec. 12 | Dec. 23 | Dec. 24 | Jan. 7 |
| Dec. 29 | Jan. 8 | Jan. 9 | Jan. 20 |
| Jan. 12 | Jan. 22 | Jan. 23 | Feb. 3 |

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Leading equities sustained a modest reaction yesterday, after last Friday's fresh burst of enthusiasm which followed the surprise reduction of ¼ per cent. in Minimum Lending Rate. However, apart from a small setback in short-dated stocks, British Funds enjoyed another firm and active day's trading with mediums and longs recording further rises extending to ⅝. The Government Securities Index improved 0.27 more to 60.46.

Leading Industrials were soon showing gains of a few pence, but lack of follow-through support and small selling made for a reversal of the recent firm trend. The day's pattern was well illustrated by the FT 30-share index, a rise of 2.2 at 10 a.m. being replaced by a fall of 2.7 at 1 p.m. which was extended a little further to a net loss of 3.2 at the close of 381.6. However, the setback was only modest compared with the rise of 21.4 in the index over the previous four trading days and the underlying tone was still firm.

It was a similar story in second line issues but, unlike the leaders, small gains were in the majority at the close. This was reflected in the 3—2 ratio of rises over falls in FT-quoted Industrials. The more broadly based FT-Actuaries All-Share Index hardened 0.1 per cent. to a 1975-76 peak of 160.70. In contrast, Composite Insurance shares showed marked dullness on fears of heavy claims as a result of the damages caused by gales and floods over the week-end. The FT-Actuaries index for the section lost 2.2 per cent. to 105.32. Official markings of 7,117 compared with 4,317 last Friday and 2,952 a week ago.

### Long Gilts rise

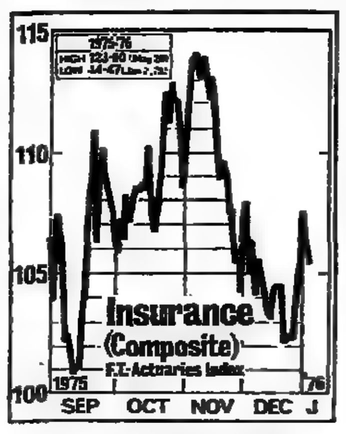
Gilt-edged securities continued to benefit from last Friday's reduction in MLR, although short-dated issues began to look tired after the recent good run-up and finished the day with modest losses, mainly as a result of switching to longer maturities. Mediums and longs made further good progress, closing with gains ranging to ⅝. There was a brisk business in the long "tap," Treasury 13½ per cent., 1997 "A", ¼ higher at 89¼, but activity was by no means confined to this area, a good general demand being seen throughout.

A small demand for investment currency in a narrow market brought a further recovery in the premium to 111 per cent., before closing a net 1¾ points higher at 110½ per cent. Yesterday's SE conversion factor was 0.6055 (0.6160). Firm American issues were featured by an advance of 138 to 950p in Chrysler on U.S. support encouraged by the Chrysler U.K. labour force's final acquiescence to the rescue plan.

### Composites down

Concerned about possible substantial claims arising from the widespread storm damage over the week-end, jobbers marked Composite Insurances down at the outset. Aggravated more by the appearance of a few small sellers, prices drifted further down to close at, or near, the day's lowest. Sun Alliance closed 7 down at 423p, while losses of 5 were seen in Commercial Union, 136p, General Accident, 157p, and Guardian Royal Exchange, 197p. "Royals" declined 4 at 304p and Phoenix shed a similar amount to 204p. Eagle Star cheapened 3 to 120p; the new nil-paid shares also receded 3 to 18p premium.

With Barclays, Midland and National Westminster failing to come into line with Lloyds in reducing their base lending rates to 10½ per cent., the volume of trade in leading banks was small and prices closed mixed. Barclays managed to improve 5 to 305p, but Lloyds lost that much to 235p. Australian issues came with a late burst and rises of 10 and 15 respectively were seen in




Commercial Bank of Australia, 290p, and Bank of New South Wales, 665p. After last week's firm performance in sympathy with gilts, Discounts encountered profit-taking which left losses of 5 virtually throughout the list. Clive, a penny better at 72p were a firm exception; the interim figures are due on Thursday.

Small losses were the order of the day in Breweries, where Allied cheapened 1½ to 68½p; the preliminary results are expected Thursday.

Buildings continued to make modest headway. Higgs and Hill were raised 3 to a 1975/76 peak of 53p, while similar improvements were scored by A.P. Cement, 195p, and Marchwiel, 124p. London Brick hardened 2 to 62p as did Norwest Holst to 44p.

On the bid front, H. C. Janes and Barratt Developments both closed 2 harder at 174p and 116p respectively following Press comment.

After touching 341p, ICI reacted to close 2 cheaper on balance at 337p. Elsewhere in Chemicals, Akzo moved up 1¼ points to £14¼ on overseas advices. Crystalate firmed a penny to a 1975/76 peak of 5¾p and Federated Chemical rose 2 to 32p.

Television Contractors were quietly firm, HTV finishing 2 better at 47p.

Continuing Amsterdam demand coupled with the firmer investment premium led to a fresh spurt of 32 to 915p in Philips' Lamp, making an advance of 70 over the last two business days. Other leading Electricals saw a good trade but closed mainly easier following profit-taking. EMI sustained a loss of 5 at 238p, while GEC were finally 2 cheaper at 147p, after 151p. Thorn Electrical, already 2 easier at 226p, after 232p, saw no further change following news of the company's decision to withdraw from the colour tube business. Elsewhere, Goldring improved 3 to 16p and gains of 5 were registered in Unitech, 98p, and Louis Newmark, 95p.

Stores failed to draw much inspiration from news of better-than-expected trading in the January sales and closed little changed. Home Charm, however, were a notable exception at 88p, up 9, on small buying in a thin market. A. Goldberg moved up 4 to 58p, while rises of 2½ were scored by Raybeck, 39p, and S. Casket, 42½p. Baker's Household Stores hardened a penny to 16p in front of to-day's results. Mothercare contrasted with a fall of 6 to 172p. Allied Retailers closed unchanged at 118p, after 121p, following the interim report. Among the leaders, Marks and Spencer eased 2 to 99p and "Gussies" "A" receded 3 to 209p. Reflecting fears of higher postal charges, Mail Orders had an easier drift; Empire Stores shed 2 at 80p and Freeman's (London) declined 3 at 143p.

The Engineering majors succumbed to light profit-taking and closed with small losses. Hawker Siddeley lost 4 to 356p, after 354p, while John Brown declined 3 to 72p and Tube Investments receded 2 to 320p, after extremes of 324p and 318p. Elsewhere, news that C. Walker have made an approach which may lead to an offer of 85p per share being made for Coated Metals left the latter 10 higher at 85p. Weyburn firmed 7 to 440p and Burgess Products gained 4 to 36p. Lake and Elliot were quoted ex "rights" at 62p, with the "new" nil-paid shares opening and closing at 12p premium.

Although closing little changed, Foods attracted a reasonable business. Brooke Bond, which were quoted ex the £12.7m. "rights" issue last Friday, met a good two-way trade, the Ordinary finishing at the overnight level of 38p and the new nil-paid shares closing a fraction easier at 5¼p premium. Nurdin and Peacock responded to Press comment with a rise of 4 to 90p, while Highgate and Job, 70p, and British Sugar, 335p, put on 5 and 10 respectively. Reflecting Overseas advices, Kraftco were raised ¾ to £34¼. After touching 49p initially following Press comment on the chairman's statement, RHM eased back to close without alteration at 48p.

Savoy Hotel "A" featured Hotels and Caterers, closing 4 higher at 24p following a good two-way business. Pontin's gained a penny at 26½p, while a Press mention helped Swan Ryan to improve similarly to 15½p. Grand Metropolitan contrasted with a fall of 3 to 78p.

### Glaxo react

Early fresh gains in the miscellaneous Industrial leaders were later erased by profit-taking. Glaxo were exceptionally 6 down on balance at 372p, after 380p. Beecham finished a shade off at 347p, after a 1975-76 high of 353p. Elsewhere, favourable Press comment prompted Aaronson Bros. to rise 4 to 55p, while the half-year report and acquisition news left Esperanza 3 better at 91p. Increased half-year profits raised AVP 2 to 59p, while Petrocon closed similarly harder at 113p on the chairman's statement. A firm market of late on favourable Press mention, Camrex improved 3 more to 46p. Johnson Matthey added 8 at 333p and International Computers 4 at 116p, but Steel Bros. declined 6 to 217p and Lindsay and Williams 2½ to 20p. Trafalgar House were quoted ex "rights" at 106p, up a penny, with the new nil-paid at 24p premium.

Motors and Distributors provided few movements of any significance. Dunlop fell 3 to 69p, while Group Lotus, 22p, and Rolls-Royce, 67p, lost 1 and 2 respectively. Lucas, at 190p, gave up a penny of Friday's rise of 6.

Apart from Morgan Grampian, 5 higher at 51p on small buying in a thin market, Publishers shrugged aside adverse Press comment on the industry's future and closed little changed. Newspapers had a couple of firm spots in United and Daily Mail "A," both up 4 at 224p and 180p respectively. Elsewhere, Wilson Bros. hardened a penny to a 1975-76 peak of 19½p.

After making further progress in the early stages, leading Properties ran into profit-taking and finished generally a little easier on the day after another active trade. Land Securities, 190p, after touching extremes of 196p and 188p, and MEPC, 87p, after 90p and 86p, both closed 2 softer. Elsewhere, Stock Conversion improved afresh to 170p, before ending a net penny firmer at 167p ahead of to-morrow's half-time results, while Aiston Holdings, with interim figures due Thursday, added 2 at 36p. A. and J. Mucklow moved up 10 to 160p, Rush and Tomkins 4 to 48p, and London Bridge Securities 3 to 13p. Haslemere Estates, however, ran out of steam and closed 4 cheaper at 196p, after 203p.

### Woodside-Burmah rise

A fairly active day's trading ensued in the Oil share market, although prices generally failed to hold initially higher levels and closed with narrow mixed movements. However, the firmness of the investment premium helped to keep Royal Dutch buoyant, ending just a shade below the best at £35, up ⅜. Shell Transport touched a new 1975-76 peak of 395p before closing a net 2 harder at 390p. Burmah put on a penny to 83p, but British Petroleum, after last Friday's rise of 9, were finally 2 easier at 590p, after moving between extremes of 595p and 587p. Ultramar were similarly cheaper at 204p, after 207p, while Tricentrol lost an early gain of 2 to end unaltered at 56p. Australian Oils were noteworthy for a rise of 6 to a 1975-76 peak of 153p in Woodside-Burmah. Among Canadian issues, Pan Ocean improved 15 to 885p, but Sunningdale declined 10 to 480p.

With the aid of Press comment, Inchcape improved afresh to 372p before finishing 4 higher on the day at 366p awaiting the interim results, expected January 22. Elsewhere in Overseas Traders, Lonrho, after recent strength on the Arab share deal and Press comment, relinquished 5 to 126p.

S. Pearson were popular in Trusts and Financials, rising 9 to 130p. Lampa Securities improved 5 to 99p, while stockjobbers Akroyd and Smithers, 180p, and Smith Bros., 58p, hardened 4 and 1 respectively; the last-named being helped by favourable Press comment. Jardine Securities rose 6 to 128p, but Bishopsgate Property and General Investments moved against the trend, easing 1½ to 38p on the dividend omission and profits setback.

Light profit-taking brought small losses to Shippings. Reardon Smith "A" shed 7 to 97p and P & O Deferred cheapened 1½ to 100p. Adverse Press comment depressed "Lofs," which fell 2 to 34p.

After a firm start, Courtaulds closed a penny off at 151p, after 153p, in Textiles where U.U. eased a shade to 4p in front of tomorrow's preliminary results. Leeds Dyers, however, hardened 4 to 38p.

Bats, at 346p, gave up last Friday's gain of 10 following profit-taking. Elsewhere in Tobaccos, Imps receded 2 to 82p.

Slightly more interest was shown in Rubbers, which closed firmer for choice. London Asiatic hardened 2½ to 44½p, while Golden Hope and Pataling were similarly better at 49½p and 43½p respectively. Teas also edged forward, with Jokai 3 to the good at 118p.

### Golds lower

South African Gold shares opened steady enough in line with the morning bullion price fixing. But a setback in the price during the afternoon engendered nervousness in front of this week's International Monetary Fund Finance Minister's meeting concerning the sale of 25m. ounces of IMF gold. Bullion was finally down $2 at $138.50 per ounce; the Gold Mines index fell 3.7 to 243.2.

Among the heavyweights, falls ranged to ¾ in Buffels (£12¾), President Brand (£17¼) with Free State Geduld and President Steyn ¼ lower at £21¼ and £12¾ respectively.

In the lower-priced issues, Libanon (740) fell 20, while Winterspost gave up a similar amount at 400p; the latter company reported that production was affected on Thursday following a fire the previous day, but no further losses are expected.

Financials generally mirrored Golds. Overseas-based issues gave up earlier gains following the fall in the bullion price. Anglo American closed at 355p after 360p, while Union Corporation (400p) had an earlier 15 rise trimmed to 5.

London-based Financials lost ground in line with U.K. Industrials, with Gold Fields 6 lower at 214p. De Beers rose 4 to 3..p in front of this month's sales figures from the Central Selling Organisation.

Platinums were firm. In Coppers, Botswana RST advanced 4 to 60p following a large buying order.

Australians were firm in line with overnight markets "Down Under" despite the official announcement that no immediate devaluation of the Australian dollar is envisaged. Pancontinental rose 20 to 920p, while an Irish demand left Whim Creek 8 higher at 50p. Peko-Wallsend fell 5 to 435p following news of the reduction in the company's copper activities.

Dealings in "Amcoal" opened at 530p and closed at the same price in a small turnover.

## FINANCIAL TIMES STOCK INDICES

| | Jan. 5 | Jan. 2 | Dec. 31 | Dec. 30 | Dec. 29 | Dec. 24 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 60.46 | 60.19 | 59.83 | 59.77 | 59.65 | 59.59 | [illegible] |
| Fixed Interest | 60.01 | 59.73 | 59.54 | 59.53 | 59.17 | 59.10 | [illegible] |
| Industrial Ordinary | 381.6 | 384.8 | 375.7 | 374.8 | 368.1 | 363.4 | [illegible] |
| Gold Mines | 243.2 | 246.9 | 238.0 | 236.4 | 232.7 | 230.2 | [illegible] |
| Ord. Div. Yield % | 5.50 | 5.46 | 5.58 | 5.58 | 5.67 | 5.74 | [illegible] |
| Earnings Y'ld %(full)(a) | 15.35 | 15.24 | 15.58 | 15.58 | 15.83 | 16.03 | [illegible] |
| P/E Ratio (net) (a) (b) | 9.55 | 9.63 | 9.41 | 9.41 | 9.26 | 9.15 | [illegible] |
| Dealings marked | 7,117 | 4,317 | 6,003 | 4,952 | 2,952 | 3,374 | [illegible] |
| Equity turnover £m. | — | 46.56 | 40.92 | 57.75 | 28.92 | 17.66 | [illegible] |
| Equity bargains total | — | 11,569 | 13,713 | 14,291 | 9,445 | 5,794 | [illegible] |

10 a.m. 387.0. 11 a.m. 383.6. Noon 383.2. 1 p.m. 382.1. 2 p.m. 382.1. 3 p.m. 381.9.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.49.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

### HIGHS AND LOWS

| | 1975/6 High | 1975/6 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 62.34 (22/3) | 49.18 (6/1) | 127.4 (9/1/35) | 49.18 (6/1/75) |
| Fixed Int. | 62.51 (21/3) | 50.53 (6/1) | 150.4 (28/11/47) | 50.53 (6/1/75) |
| Ind. Ord. | 384.8 (2/1) | 146.0 (6/1) | 543.6 (19/5/72) | 49.4 (26/6/40) |
| Gold Mines | 442.5 (22/5) | 218.4 (1/12) | 442.3 (22/5/75) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| | Jan. 5 | [illegible] |
|---|---|---|
| Daily— | | |
| Gilt-Edged | 189.5 | [illegible] |
| Industrials | 229.9 | [illegible] |
| Speculative | 50.0 | [illegible] |
| Totals | 162.0 | [illegible] |
| 5-day Av'ge | | |
| Gilt-Edged | 149.6 | [illegible] |
| Industrials | 160.5 | [illegible] |
| Speculative | 41.4 | [illegible] |
| Totals | 115.4 | [illegible] |

## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

**EQUITY GROUPS — GROUPS & SUB-SECTIONS** (Figures in parentheses show number of stocks per section) — Monday, Jan. 5, 1976

| | Group | Index No. | Day's Change % |
|---|---|---|---|
| 1 | CAPITAL GOODS (178) | 144.61 | +0.7 |
| 2 | Building Materials (29) | 142.05 | +0.9 |
| 3 | Contracting, Construction (23) | 260.79 | +1.0 |
| 4 | Electricals (16) | 253.11 | +0.9 |
| 5 | Engineering (Heavy) (13) | 164.29 | +0.8 |
| 6 | Engineering (General) (63) | 126.86 | +0.5 |
| 7 | Machine and Other Tools (9) | 51.19 | −0.2 |
| 8 | Miscellaneous (28) | 122.52 | +0.6 |
| | CONSUMER GOODS (DURABLE) (56) | 122.66 | +0.7 |
| 10 | Electronics, Radio TV etc. (15) | 140.17 | +0.7 |
| 11 | Household Goods (14) | 169.44 | +0.6 |
| 12 | Motors and Distributors (27) | 70.65 | +0.6 |
| | CONSUMER GOODS (NON-DURABLE) (168) | 152.59 | +0.2 |
| 14 | Breweries (15) | 162.82 | +0.7 |
| 15 | Wines and Spirits (7) | 177.86 | +0.4 |
| 16 | Entertainment, Catering (16) | 188.54 | −0.7 |
| 17 | Food Manufacturing (22) | 166.05 | +1.1 |
| 18 | Food Retailing (16) | 148.24 | — |
| 19 | Newspapers, Publishing (15) | 164.07 | +0.4 |
| 20 | Packaging and Paper (13) | 106.21 | +0.5 |
| 21 | Stores (33) | 126.90 | +0.2 |
| 22 | Textiles (22) | 166.22 | +0.4 |
| 23 | Tobaccos (3) | 222.05 | −0.9 |
| 24 | Toys and Games (6) | 62.35 | +0.2 |
| | OTHER GROUPS (94) | | |
| 25 | Chemicals (24) | 199.82 | +0.2 |
| 26 | Office Equipment (10) | 88.43 | +0.4 |
| 27 | Shipping (12) | 369.59 | −0.2 |
| 28 | Miscellaneous (48) | 167.45 | +0.4 |
| 29 | INDUSTRIAL GROUP (496) | 152.51 | +0.5 |
| 30 | OILS (4) | 336.52 | +0.1 |
| 31 | 500 SHARE INDEX | 168.00 | +0.2 |
| 32 | FINANCIAL GROUP (100) | 157.97 | −0.8 |
| 33 | Banks (6) | 167.87 | −0.4 |
| 34 | Discount Houses (9) | 176.56 | −1.0 |
| 35 | Hire Purchase (5) | 105.72 | −1.2 |
| 36 | Insurance (Life) (9) | 119.70 | −1.7 |
| 37 | Insurance (Composite) (7) | 105.32 | −2.2 |
| 38 | Insurance (Brokers) (10) | 218.26 | −1.7 |
| 39 | Merchant Banks (17) | 87.87 | +2.1 |
| 40 | Property (32) | 181.05 | −0.1 |
| 41 | Miscellaneous (5) | 81.99 | +1.4 |
| 42 | Investment Trusts (50) | 170.32 | −0.9 |
| 43 | ALL-SHARE INDEX (650) | 160.70 | +0.1 |
| | COMMODITY GROUPS (Not included in 500 or All-Share indices) | | |
| 44 | Rubbers (9) | 416.64 | +1.2 |
| 45 | Teas (9) | 119.00 | +0.5 |
| 46 | Coppers (3) | 273.74 | +1.7 |
| 47 | Mining Finance (11) | 142.04 | −0.7 |
| 48 | Tins (5) | 94.89 | +0.1 |
| 49 | Overseas Traders (13) | 229.82 | +0.1 |

**FIXED INTEREST**

| | | Monday, Jan. 5 Index No. | Yield % | Friday Jan. 2 | Wed. Dec. 31 | Tues. Dec. 30 | Monday Dec. 29 | Wed. Dec. 24 | Tuesday Dec. 23 | Monday Dec. 22 | Year ago (approx.) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Consols 2½% yield | — | 14.49 | 14.58 | 14.67 | 14.67 | 14.66 | 14.74 | 14.74 | 14.80 | 17.41 |
| 2 | 20-yr. Govt. Stocks (6) | 47.65 | 13.57 | 47.56 | 47.30 | 47.34 | 47.20 | 47.05 | 47.02 | 46.94 | 38.70 |
| 3 | 20-yr. Red. Deb. & Loans (15) | 47.00 | 15.70 | 46.66 | 46.87 | 46.75 | 46.62 | 46.65 | 46.75 | 46.70 | 37.29 |
| 4 | Investment Trust Prefs. (15) | 46.55 | 14.86 | 46.50 | 46.50 | 46.46 | 46.78 | 47.05 | 47.05 | 47.05 | 35.53 |
| 5 | Coml. and Indl. Prefs. (20) | 63.24 | 15.00 | 62.76 | 63.01 | 62.80 | 62.61 | 63.37 | 63.73 | 63.78 | 47.67 |

† Redemption yield. Calculated by Exel Communications Limited on behalf of the Exchange Telegraph Company. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. † Corrected.

## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1975/6 high | 1975/6 low |
|---|---|---|---|---|---|---|
| Eagle Star 'New' | Nil/pd. | 14 | 18* | −3 | 21* | 13* |
| ICI | £1 | 13 | 337 | −2 | 339 | 118 |
| Land Secs. | 50p | 13 | 285 | −10 | 296 | 139 |
| Marks & Spencer | 25p | 13 | 99 | −2 | 128 | 47½ |
| Plessey 'New' | Nil/pd. | 13 | 8* | +½ | 8½* | 4½* |
| Shell Transport | 25p | 13 | 390 | +2 | 395 | 118 |
| Ledbroke | 10p | 11 | 96 | −1 | 99 | 33 |
| "Bats" | 25p | 10 | 346 | −10 | 356 | 164 |
| BP | £1 | 10 | 590 | −2 | 598 | 190 |
| Brooke Bond 'New' | Nil/pd. | 10 | 5¼* | −¼ | 6* | 4* |
| Distillers | 50p | 10 | 145 | −1 | 150 | 65½ |
| English Property | 50p | 10 | 68 | −½ | 93 | 25 |
| MEPC | 25p | 10 | 87 | −2 | 231 | 53 |
| T'falgar Hse 'New' | Nil/pd. | 10 | 24* | — | 27* | 23½* |
| GEC | 25p | 9 | 147 | −2 | 149 | 51 |

*The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).*
* Premium.

## Option Report—3-month Call rates

**OPTION DEALING DATES**

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Jan. 7 | Jan. 19 | Apr. 1 | Apr. 13 |
| Jan. 20 | Feb. 2 | Apr. 14 | Apr. 28 |
| Feb. 3 | Feb. 16 | Apr. 29 | May 11 |

"Calls" were dealt in Burmah Oil, Slater Walker, Siebens Oil, Bryant, Cater Ryder, Town and City, J. Brown, British Land, Amalgamated Investment, London City and Westcliff, Plessey, MEPC, Royal Insurance, Thomson Organisation, Marks and Spencer, Charterhall Finance, BOC, Town and Commercial, English Property and Wingate. No "puts" were reported, while "doubles" were arranged in MEPC, Burmah Oil, Grand Metropolitan, British Land, Bryant, Trafalgar House, Plessey, Town and City, Dawnay Day, Thomson Organisation, National Westminster Bank Warrants and Capital and Counties.

## NEW "HIGHS" AND "LOWS" FOR 1975/6

Too numerous to name individually, the 105 new 1975-76 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 2 new lows.

**NEW HIGHS (105)**

BRITISH FUNDS (2)
CORPORATION LOANS (6)
COMMONWEALTH & AFRICAN LOANS (6)
CANADIANS (1)
BUILDINGS (3)
CHEMICALS (1)
CINEMAS (1)
DRAPERY & STORES (6)
ELECTRICALS (6)
ENGINEERING (14)
FOODS (1)
INDUSTRIALS (24)
MOTORS (1)
NEWSPAPERS (2)
PROPERTY (8)
SHIPPING (1)
SHOES (1)
TEXTILES (2)
TRUSTS (10)
OILS (3)
OVERSEAS TRADERS (2)

**NEW LOWS (2)**

INDUSTRIALS (2)
Pitney-Bowes 5¼pc. Conv. Lindsay & Williams

## YESTERDAY RISES AND FALLS

| | Up | Down | Same |
|---|---|---|---|
| British Funds | 35 | 14 | 6 |
| Corpns. Dom. and Foreign Bonds | 15 | — | [illegible] |
| Industrials | 462 | 282 | 1,092 |
| Financial and Prop. | 97 | 106 | 293 |
| Oils | 14 | 3 | 17 |
| Plantations | 6 | — | 20 |
| Mines | 42 | 22 | 38 |
| Recent Issues | 5 | 5 | 13 |
| Totals | 677 | 392 | 1,600 |

## CHURCH GIVES LOANS FOR PROFIT

THE PAROCHIAL Church Council at Clare, Suffolk, is lending money to parishioners to make a profit. Members of the congregation are loaned £1 each and told to "multiply" it by activities such as sewing, cooking, entertaining and painting. The Rev. Ralph Thickness, the vicar, said he hoped the congregation would gain a handsome profit for the £40,000 church restoration scheme.

## BASE LENDING RATES

AFI International ...... 11
Allied Irish Banks Ltd. 11
Anglo-Portuguese Bank 11
Henry Ansbacher ...... 11
Banco de Bilbao ...... 11
Banco de Jerez ...... 11
Bank of Cyprus ...... 11
Bank of N.S.W. ...... 11
Banque du Rhone S.A. 11
Barclays Bank ...... 11
Barnett, Christie Ltd. ... 12
Bremar Holdings Ltd. 12
Brit. Bank of Mid. East 11
■ Brown Shipley ...... 11
Cayzer, Bowater Co. Ltd. 11
Cedar Holdings ...... 11
■ Charterhouse Japhet ... 11
C. E. Coates ...... 12
Consolidated Credits ... 12
Co-operative Bank ...... 11
Corinthian Securities ... 11
Credit Lyonnais ...... 11
G. R. Dawes ...... 12
Duboff Brothers ...... 12
Duncan Lawrie ...... 11
English Transcont. ...... 11
First London Secs. ...... 11
■ Antony Gibbs ...... 11
Goode Durrant Trust ... 11
Greyhound Guaranty ... 11
Grindlays Bank ...... 11
■ Guinness Mahon ...... 11
■ Hambros Bank ...... 11
Hawtin & Partners ...... 11
■ Hill Samuel ...... 11
C. Hoare & Co. ...... 11
Julian S. Hodge ...... 12
Industrial Bank of Scot. 11
■ Keyser Ullmann ...... 11
Knowsley & Co. Ltd. ... 11
Lloyds Bank ...... 11
London & European ... 11
London Mercantile ...... 11
Midland Bank ...... 11
■ Samuel Montagu ...... 11
■ Morgan Grenfell ...... 11
National Westminster 11
Northern Comm. Trust 11
Norwich General Trust 11
Portman Guaranty ...... 11
P. S. Refson & Co. ...... 11
Rossminster Accept'cs 11
Schlesinger Limited ... 11
E. S. Schwab ...... 11
Security Trust Co. Ltd. 12
Shenley Trust ...... 12
Standard Chartered ... 11
Sterling Credit ...... 12
Thames Guaranty ...... 11
Trade Development Bk. 11
Twentieth Century Bk. 11
United Bank of Kuwait 11
Whiteaway Laidlaw ... 11
Williams & Glyn's ...... 11
Yorkshire Bank ...... 11

■ Members of the Accepting Houses Committee.
* 7-day deposits on sums of £10,000 and under 7½%, up to £25,000 7¾% and over £25,000 8%.
† 7-day deposits over £1,000 8%.
§ Demand deposits 8¼%.

## MONEY MARKET

# Small assistance

After initial indications of a small shortage, day-to-day credit appeared in reasonable supply although the authorities bought a small amount of Treasury bills and corporation bills. The market was faced with run down bank balances, maturing Treasury bills and an exceptionally large amount of gilt-edged sales. These were offset by a decrease in the note circulation and an unexpected excess of Government disbursements over revenue transfers to the Exchequer.

Discount houses paid 10½ per cent. for secured call loans at the start and eased during the day to close in the region of 8¼-9½ per cent. In the inter-bank market overnight loans commanded 10½-10⅝ per cent. in the early part before drifting steadily to finish at 7½-8 per cent. Short-term fixed period interest rates recorded little change.

Rates in the table below are nominal in some cases.

| Jan 5 1976 | Sterling Certificates of deposits | Interbank | Local Authority deposit* | Local Auth. negotiable bonds | Finance House deposit | Company deposits | Discount market deposits | Treasury bills ♦ | Bank bills ♦ | Fine trade bills ♦ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 7½-10⅞ | — | — | — | 10¾-11¼ | 8½-10½ | — | — | — |
| 2 days notice | — | — | 10⅛-10¼ | — | — | — | — | — | — | — |
| †7 days or 7 days notice | — | 10¼-10⅝ | 10¼-10⅜ | — | — | — | 10⅛-10⅝ | — | — | — |
| One month | 10⅝-10½ | 10½-10⅝ | 10⅝-10½ | 11-10½ | 10⅞-11⅝ | — | 10⅜-10½ | 10⅝-10⁷⁄₁₆ | 10⅝-10¹⁵⁄₃₂ | 11½-11 |
| Two months | 10⅝-10½ | 10½-10⅝ | — | 11¼-10¾ | 11-11⅝ | — | 10⅜-10½ | 10⁷⁄₁₆-10⅜ | 10⅝-10½ | 11½-11 |
| Three months | 10⅝-10½ | 10½-10⅝ | 10⅝-10¾ | 11¼-10¾ | 11-11⅝ | — | 10⅝ | 10⁷⁄₁₆-10⅜ | 10½-10⅝ | 11½-11 |
| Six months | 10⅝-10½ | 10½-10⅝ | 10¾-10⅞ | 11-10½ | 11⅛-11⅝ | — | — | — | [illegible] | [illegible] |
| Nine months | [illegible] | [illegible] | — | [illegible] | [illegible] | — | — | — | [illegible] | [illegible] |
| One year | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | — | — | — | — | — |
| Two years | — | — | 12⅛-12¼ | — | — | — | — | — | — | — |

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12½-13 per cent.; four years 13½-13⅜ per cent.; five years 13½-13⅝ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10⅝-10⅜ per cent.; four-month trade bills 11½-11⅝ per cent. Approximate selling rates for one-month Treasury bills 10⅜ per cent.; two-month 10¾ per cent.; and three-month 10⅜-10⁵⁄₁₆ per cent. Approximate selling rate for one-month bank bills 10½-10⅝ per cent.; two-month 10½ per cent.; and three-month 10⅛-10⅝ per cent.; for one-month trade bills 11 per cent.; two-month 11 per cent.; and three-month 11 per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from January 1. Clearing Bank Deposit Rate for small sums at seven days' notice 7½-7 per cent. Clearing Bank Rates for lending 10½-11 per cent. Treasury Bills: Average tender rates of discount 10.4833 per cent.

**CORAL INDEX** Close 380-385

**I.G. INDEX** GOLD 137-140

**INSURANCE BASE RATES**

† Atlantic Assurance ...... 12½%
Cannon Assurance ...... 9¼%
† Address shown under Insurance and Property Bond table.

# AUTHORISED UNIT TRUSTS

**Gartmore Fund Managers♥**
2, St. Mary Axe, EC3A 8BP. 01-283 3531

| | | | | |
|---|---|---|---|---|
| American Trust | 23.7 | 25.0 | ..... | 1.20 |
| British Trust | 35.2 | 37.9 | ..... | 3.05 |
| Capital Fund | 125.1 | 134.5 | +1.0 | 2.94 |
| Exempt Fund | 83.5 | 89.8 | +3.2 | 4.50 |
| High Income Tst. | 37.0 | 39.7 | +0.1 | 10.57 |
| Income Fund | 49.3 | 53.0 | −0.1 | 7.48 |
| Ins. Agencies | £12.31 | 13.38 | ..... | 3.27 |
| (z)Int'l Tst. | 25.1 | 27.0 | +0.5 | 1.86 |

**Gibbs (Antony) Unit Tst. Mgs. Ltd.**
23, Blomfield St., EC2M 7NL. 01-588 4111

| | | | | |
|---|---|---|---|---|
| (a)A. Gibbs Inc.* | 27.0 | 29.0 | ..... | 11.80 |
| (a)A. Gibbs Gth.†† | 25.6 | 27.5 | ..... | 5.50 |

Dealing day *Tues. ††Wed.

**Lloyds Bk. Unit Tst. Mngrs. Ltd.♥(a)**
Registrars Dept., The Causeway, Goring-by-Sea Worthing, Sussex. 01-623 1288

| | | | | |
|---|---|---|---|---|
| LB First Inc. | 40.0 | 43.0 | +0.6 | 4.46 |
| Do. (Accum.) | 50.5 | 54.2 | +0.7 | 4.46 |
| LB Second Inc. | 42.6 | 45.7 | +0.5 | 3.60 |
| Do. (Accum.) | 50.3 | 54.0 | +0.6 | 3.60 |
| LB Third Inc. | 64.6 | 69.4 | +0.7 | 6.40 |
| Do. (Accum.) | 78.7 | 84.6 | +0.8 | 6.40 |

# INSURANCE, PROPERTY, BONDS

# OFFSHORE AND OVERSEAS FUNDS

**Warburg Invest. Mngt. Jrsy. Ltd.**
8 Church St., St. Helier, Jsy. C.I. 0534 35511

**World Wide Growth Management♥**
10a, Boulevard Royal, Luxembourg.

| | | | |
|---|---|---|---|
| World Wide Gth. Fd | $11.12 | +0.06 | — |

## NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ● ¶ Guernsey yield. ‡ Suspended. ☆ Single premium insurance bonds.

## REGIONAL MARKETS

ollowing the merger last year of U.K. stock exchanges, a selection of the share s previously shown under regional headings is presented below with quotations ondon. Irish issues, most of which are not officially listed in London, are s separately and with prices as on the Irish exchange.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| y Inv. 20p | 16 | ..... | Craig Ship. £1 | 330 | ..... | Shiloh Spinn. | 28 | ..... |
| pinning | 33 | ..... | Hallam Sleigh 10p | 4 | ..... | Sindall (Wm.) | 53 | ..... |
| m | 20 | ..... | Higsons Brew. | 43 | ..... | | | |
| tr. Est. 50p | 135 | ..... | I.O.M. Stm. £1 | 130 | ..... | IRISH | | |
| r Croft | 35 | ..... | Holt (Jos.) 25p | 265 | ..... | | | |
| & Rose £1 | 320 | ..... | Kleen-e-Ze | 18 | ..... | Alliance Gas (£1) | 50 | ..... |
| (R.A.) | 25 | ..... | Lovell's Ship £1 | 70 | ..... | Carroll (P. D.) | 120 | ..... |
| & McHdy. | 62 | ..... | N'thn. Goldsmith | 39 | ..... | Clondalkin | 48 | ..... |
| Frk. 10p. | 33 | ..... | P.M.A. | 30 | ..... | Concrete Prods. | 92 | ..... |
| d | 10 | ..... | Pearce (C. H.) | 80 | ..... | Goodbody (£1) | 36 | ..... |
| orge | 40 | ..... | Peel Mills | 12 | ..... | Helton (Hldgs.) | 29 | ..... |
| Pkg. 5p | 16 | ..... | Richards 10p | 13 | ..... | Irish Distillers | 68 | +2 |
| Reed 50p | 130 | −5 | RobbCaledonSh. | 45 | +1 | Irish Wire | 40xd | ..... |
| ner & Sons | 10 | −1 | Sayers 12½p | 3 | +1 | Jacob | 72 | ..... |
| ner (L.) | 75 | ..... | Sheffield Brick | 45 | ..... | Sunbeam | 8 | ..... |
| | | | Sheff. Refrshmt. | 140 | ..... | Unidare | 63 | ..... |

# FT SHARE INFORMATION SERVICE

## **BRITISH FUNDS

| 1975/6 High | Low | Stock | £ | + or − | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| | | **"Shorts" (Lives up to Five Years)** | | | | |
| 99⅜ | 94⅔ | Exch.6½pc 1976‡‡ | 99⅜ | ...... | 6.54 | 10.55 |
| 97¾ | 92 | Treasury 6½pc 1976‡‡ | 97 | ...... | 6.67 | 10.81 |
| 99 | 97 | Victory 4pc 1976‡‡ | 98⅝ | ...... | 4.04 | — |
| 102 | 96⅔ | Treasury 10½pc 1976‡‡ | 99 | ...... | 10.54 | 10.83 |
| 95¼ | 88⅞ | Treasury 6¾pc 1977‡‡ | 95 | − | 6.56 | 10.71 |
| 95¼ | 86¼ | Electric 3pc 74-77 | 95⅛ | −⅛ | 3.15 | 7.21 |
| 103 | 96⅞ | Treasury 11½pc '77‡‡ | 100 | − | 11.40 | 10.88 |
| 93¼ | 84 | Treasury 3pc '77‡‡ | 91⅔ | −⅛ | 3.26 | 7.76 |
| 92⅞ | 84⅛ | Transport 4pc '72-77 | 92¾ | − | 4.31 | 8.07 |
| 96 | 90½ | Treasury 9pc 1978‡‡ | 95¼ | − | 9.45 | 11.55 |
| 100 | 96 | Treasury 10½pc '78‡‡ | 98 xd | − | 10.67 | 11.29 |
| 91 | 79 | Exchequer 5pc '76-78‡‡ | 91 | +⅛ | 5.49 | 8.94 |
| 103 | 94 | Treasury 11½pc '79‡‡ | 100¼ | − | 11.47 | 11.38 |
| 84 | 71⅜ | Treasury 3pc '79‡‡ | 84 | ...... | 3.57 | 8.08 |
| 85 | 73⅞ | Electric 4¼pc '74-79 | 85 | ...... | 5.00 | 9.07 |
| 100 | 94½ | Treasury 10½pc '79‡‡ | 96 | − | 10.92 | 11.73 |
| 96¼ | 95 | Do. 10½pc 1979 'A'* | 96 | − | 10.92 | 11.74 |
| 84½ | 71 | Electric 3½pc '76-79 | 84⅝ | +⅛ | 4.16 | 8.40 |
| 95 | 84 | Treasury 9pc 1980‡‡ | 91 | − | 9.89 | 11.78 |
| 95 | 89¼ | Treasury 9½pc '80‡‡ | 92 | − | 10.30 | 11.83 |
| 84 | 68¼ | Treasury 3½pc '77-80 | 83⅞ | −⅛ | 4.17 | 7.87 |
| 86 | 71 | Funding 5¼pc '78-80‡‡ | 85⅞ | −⅛ | 6.11 | 9.19 |
| | | **Five to Fifteen Years** | | | | |
| 98¾ | 94 | Treasury 11½pc 1981 | 98¾ xd | ...... | 11.67 | 11.89 |
| 82⅛ | 66⅛ | Do 3½pc '79-81 | 82⅛ | +⅛ | 4.33 | 8.17 |
| 91⅛ | 72⅝ | Do 8½pc '80-82‡‡ | 86⅝ xd | +⅛ | 9.79 | 11.59 |
| 104½ | 86⅝ | Treasury 12pc 1983‡‡ | 102 | +⅛ | 12.10 | 12.17 |
| 78 | 58 | Funding 5½pc '82-84‡‡ | 74¼ xd | +½ | 7.39 | 10.26 |
| 85¼ | 61⅜ | Treasury 8½pc '84-86‡‡ | 80⅜ xd | +½ | 10.56 | 11.79 |
| 73¼ | 51⅜ | Funding 6½pc '85-87‡‡ | 70⅜ xd | +½ | 9.39 | 11.41 |
| 76¼ | 53 | Treasury 7¾pc '85-88‡‡ | 72 xd | +½ | 10.70 | 12.17 |
| 47⅛ | 32⅞ | Transport 3pc '78-88 | 46⅞ xd | +½ | 6.40 | 10.89 |
| 56⅞ | 39¼ | Treasury 5pc '86-89 | 54⅛ | +½ | 9.39 | 12.02 |
| 75½ | 53¼ | Treasury 8¼pc 87-90‡‡ | 69⅝ | +½ | 11.93 | 13.04 |
| | | **Over Fifteen Years** | | | | |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Undated

## **INTERNATIONAL BANK

## **CORPORATION LOANS

## COMMONWEALTH & AFRICAN LOANS

## LOANS (Miscel.)

## FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

## AMERICANS

S.E. List Premium (based on $2.0325 per £)

## CANADIANS

S.E. List Premium (based on $2.0325 per £)

Conversion factor 0.6065 (0.6160)

## ††BANKS AND HIRE PURCHASE

## Hire Purchase, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER & ROADS

## BUILDING INDUSTRY—Continued

## CHEMICALS, PLASTICS

## CINEMAS, THEATRES AND TV

## DRAPERY AND STORES

## DRAPERY AND STORES—Continued

## ELECTRICAL AND RADIO

## ENGINEERING, MACHINE TOOLS

## ENGINEERING—Cont.

## FOOD, GROCERIES, ETC.

## HOTELS & CATERERS

## HOTELS—Continued

## INDUSTRIALS (Miscel.)

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## INDUSTRIALS—Continued

## INSURANCE

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

### Commercial Vehicles

### Components

### Garages and Distributors

## NEWSPAPERS, PUBLISHERS

## PAPER, PRINTING, ADVERTISING

## PROPERTY

## PROPERTY—Continued

## SHIPBUILDERS, REPAIRERS

## SHIPPING

## SHOES AND LEATHER

## SOUTH AFRICANS

## TEXTILES

## TOBACCOS

## TRUSTS, FINANCE, LAND

### Investment Trusts

## TRUSTS—Continued

### Trusts, Finance, Land, etc.

## OILS

## OVERSEAS TRADERS

## RUBBERS AND SISALS

## TEAS

### India and Bangladesh

### Sri Lanka

### Africa

## MINES

### CENTRAL RAND

| 1975/6 High | Low | Stock | Price | + or – | Div Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| £14¼ | 250 | Durban Deep R1 | 365 | –5 | Q20c | ϕ | 3.6 |
| £14 | 500 | E. Rand Prp. R1 | 500 | –10 | Q35c | ϕ | 3.9 |
| 105 | 21 | Rand Leases 3½c | 21 | ...... | — | — | — |
| £34½ | £15¾ | Randf'tn Est. R2 | £18 | ...... | — | — | — |
| 500 | 130 | West Rand R1 | 140 | ...... | Q10c | ϕ | 3.9 |

### EASTERN RAND

| 1975/6 High | Low | Stock | Price | + or – | Div Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 370 | 165 | Bracken R1 | 197 | –1 | Q52c | 1.0 | 14.6 |
| 23 | 5 | Daggafontein 50c | 9 | ...... | — | — | — |
| 105 | 33 | East Dag R1 | 33 | –1 | — | — | — |
| 140 | £ | Grmt. Areas 5c | 140ϕ | ...... | — | — | — |
| 380 | 110 | Grootvlei 30c | 125xd | –3 | Q20c | ϕ | 8.8 |
| 820 | 385 | Kinross R1 | 515 | –15 | Q54c | 1.4 | 5.8 |
| 90 | 58 | Leslie 70c | 65 | –1 | Q18c | 1.4 | 15.3 |
| 550 | 165 | Marievale 70c | 225xd | –5 | Q42c | ϕ | 10.3 |
| 725 | 175 | S. African Ld. 35c | 215xd | ...... | Q30c | ϕ | 7.7 |
| 265 | 82 | Vlakfontein R1 | 103xd | ...... | Q20c | ϕ | 10.7 |
| £13¾ | 660 | Winkelhaak R0 | 900 | –20 | Q108 | 1.1 | 6.6 |
| 120 | 33 | Wit. Nigel 25c | 40 | ...... | — | — | 1.4 |

### FAR WEST RAND

| 1975/6 High | Low | Stock | Price | + or – | Div Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| £11 | 615 | Blyvoor 25 | 695 | –15 | ‡Q100c | 1.2 | ‡ |
| £21½ | £12⅜ | Buffels R1 | £12¾ | –½ | Q180c | 1.4 | 7.8 |
| 430 | 185 | Deelkraal R0.20 | 195 | ...... | — | — | — |
| £14¼ | 590 | Doornfontein R1 | 755xd | –5 | ‡Q110c | 1.4 | ‡ |
| £12¾ | 725 | East Drie R1 | 950xd | –15 | Q75c | ϕ | 4.4 |
| 450 | 172 | Elsburg R1 | 185 | –5 | Q33.9c | ϕ | 10.1 |
| £31 | £15 | Hartebeest R1 | £18 | ...... | Q215c | 1.4 | 6.6 |
| £13¾ | 620 | Kloof Gold R1 | 690xd | ...... | Q55c | 1.4 | 4.4 |
| £17¼ | 525 | Libanon R1 | 740xd | –20 | ‡Q110c | 1.9 | ‡ |
| £13¾ | 600 | Southvaal 50c | 740xd | ...... | Q8c | ϕ | 0.6 |
| 480 | 200 | Stilfontein 50c | 210 | –20 | Q36c | ϕ | 9.5 |
| £33¾ | £17 | Vaal Reefs 50c | £20xd | –½ | Q175c | ϕ | 4.9 |
| £11½ | 290 | Venterspost R1 | 400xd | –20 | ‡Q70c | 1.9 | ‡ |

## O.F.S.

## FINANCE

## DIAMOND AND PLATINUM

## CENTRAL AFRICAN

## AUSTRALIAN

## TINS

## COPPER

## MISCELLANEOUS

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1975 profits.
- ‖ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 14

FINANCIAL TIMES

Tuesday January 6 1976



# Struggle over new MSC chairman

BY MICHAEL DIXON

SIR DENIS BARNES, chairman of the Manpower Services Commission, will retire at the end of March and a high-level struggle, involving the TUC, the CBI and Whitehall, is now taking place over the appointment of his successor.

The MSC is responsible for the Government's job-creation, training and job-placement activities.

Sir Denis, aged 60, has headed it since it was "hived off" from the Department of Employment two years ago and placed in charge of two "operating arms"—the Training Services Agency and the Employment Service Agency. These and the £40m job-creation programme give the commission a major role in the Government's efforts to counter unemployment.

The Department of Employment would prefer the new chairman to be less independent than Sir Denis who, although previously permanent secretary of the DE, has built the commission into a politically powerful organisation with a will, and effectively a £300m. budget, of its own.

Suspicions that the DE is seeking to re-establish control, perhaps by way of a non-executive chairmanship, were not abated by the appointment last month of Mr. John Cassels to the newly created post of director of the commission. Mr. Cassels, aged 47, is also a former DE civil servant who previously headed the Training Services Agency.

A non-executive chairman, however, would be against the wish of the 10-strong Manpower Services Commission itself, made up of three representatives from each of the TUC and CBI, two from local authorities, and one from the education service.

## Teeth

The commissioners, and some top MSC officials, want another full-time executive chairman "with his own teeth."

A part-time appointment would seem to be ruled out because Mr. Michael Foot, Secretary for Employment, is said to have refused Sir Denis's offer to continue his chairmanship part-time after retiring.

Sir Denis and Mr. Foot have not always seen eye to eye about the freedom and the methods with which the MSC should go about its job of helping the country to develop a co-ordinated manpower policy.

The commission's activities have also created annoyance among Sir Denis' former colleagues at the Department of Employment. Some of them now make little attempt to disguise their belief that the MSC's main aim has been to build an empire at the DE's expense.

One point of resentment is said to be the £40m. budget for the new job-creation programme. Instead of being a part of the MSC's official budget—£278.3m. for 1975-76—the job-creation money is part of the DE's funds. But the spending of the money is effectively under the control of the MSC.

AS 10 DIE IN ARMAGH BUS AMBUSH . . .

# Loyalists still say No to power-sharing

BY GILES MERRITT

ULSTER'S Loyalist leadership is believed to have stressed its determination to stand by its formal rejection of power-sharing at a meeting with Mr. Merlyn Rees, Northern Ireland Secretary, in Belfast last night.

Although the talks were overshadowed by the killing of 10 men in Co. Armagh and the aftermath of Sunday night's five deaths there, their importance lies in the fact that they are the last formal contact Mr. Rees will have with any of Ulster's politicians before making his statement on the province's political future in the House of Commons next Monday.

Yesterday's meeting, with the two senior leaders of the United Ulster Unionist Coalition, Mr. Harry West and the Rev. Ian Paisley, concluded a month of intensive talks between Mr. Rees and all the parties represented in the 78-seat Convention.

MR. MERLYN REES
Rebuffed by Loyalists yet again.

While these discussions have centred on detailed analysis of the Convention's majority report—presumably in the hope that the British Government would be able to demand a second session of the Convention to iron out queries and anomalies in a report that is any way unacceptable to Westminster because it rejects power-sharing—yesterday's meeting was also intended by Mr. Rees as a means of gauging the Loyalist's intentions in the near future.

The UUUC has made it plain over the Christmas period that it has little sympathy for Mr. Rees's view that the Convention should reconvene to "think again" about its report. Not only has Mr. West said that UUUC members would be called on to boycott a "Phase 2" Convention if it meant re-examining last November's anti-power-sharing vote, but a number of Loyalist politicians have organised potentially embarrassing demonstrations to emphasise that the Protestant community in Ulster will bitterly resist any further attempts by Westminster to "impose" power-sharing with the Catholic minority.

The climate for political co-operation between the Northern Ireland Office and the dominant Unionist Coalition as Ulster approaches the post-Convention era that marks the failure of the constitutional assembly, has not been improved by the rapidly deteriorating security situation.

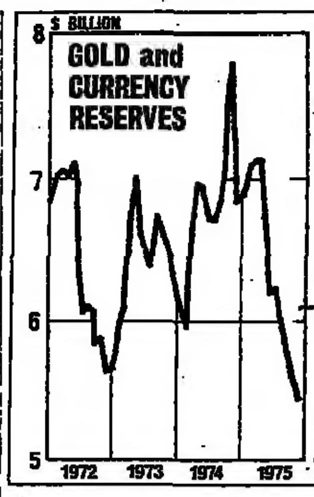
The ten men who died last night were all believed to be Protestants. They were machine-gunned to death when their workers' bus was ambushed by heavily armed terrorists in remote border country in South Armagh.

The incident, the province's worst multiple sectarian assassination since the troubles began, happened in darkness in the townland of Kingsmills not far from the border.

The busload of workers was returning from a textiles factory at Glenanne when it was attacked on the road to Bessbrook shortly after 5.30.

*Following* the 15 deaths in Armagh and the toll of 43 people injured over the week-end in a sectarian revenge war that is being levelled at the rural pubs of both communities, there has been a further tightening of security.

Editorial comment, Page 12





# Reserves down by $177m. in December

By Anthony Harris

THE U.K. official reserves fell by $177m. in December, to $5.429bn. Most of the fall was due to long-term capital transactions, leaving a drop due to short-term influences of $39m. This is only a small fraction of the monthly balance-of-payments deficit on current account, which implies that the bulk of the deficit was financed by commercial borrowing. Interest rates strongly *favoured* London over New York during the month, though London rates eased sharply at the end of it.

On long-term capital account $220m. was paid out on U.S. and Canadian post-war loans, of which $129m. was capital repayment.

A sum of $82m. was added to the reserves due to public-sector foreign currency borrowing under the exchange cover scheme.

The sterling equivalent of the reserves stood at £1.875bn. at the official parity valuation of £1 to $2.89524 used for reserve calculations since February 1973, and is at its lowest for six years. In these terms the $2bn. IMF credits, which have not been taken into the reserves at this stage, will restore the level to £2.535bn., about the same as in the final quarter of 1974.

*In terms of market exchange* rates on December 31, the reserves stood at £2.683bn., and will rise by about £1bn as a result of the IMF credits.

# Chrysler expected to draw on rescue funds soon

BY TERRY DODSWORTH

WITHIN THE next few days, Chrysler U.K. is expected to draw on the funds made available for working capital under the Government rescue plan, signed simultaneously in London and Detroit yesterday.

The signing of the formal agreement came as workers at Linwood, Scotland, fell into line with employees at the Coventry factories and voted at a mass meeting to accept the Government-backed plan.

With the acquiescence of the Linwood workers, who had originally appeared more militant in their stand against the proposals than their counterparts in the Midlands, fears that the rescue proposals might not be given a chance to get off the ground have been stilled.

The main car production plants will now resume work later this month, with employees at Stoke (Coventry) returning on January 12, Ryton (Coventry) on January 19, and Linwood on January 13.

The Maidstone components factory, which employs 500, is to *close, but the other factories* will go back to their usual work preparatory to the movement of the Avenger production lines from Ryton to Linwood in the summer, and the introduction of the new Alpine model to Ryton.

Development work has already begun on the new models—*four* cars and one commercial vehicle—which Chrysler has promised to introduce in the U.K.

It is probable that the first drawing on the proposed Government loans for investment (as opposed to the separate finance for working capital) will be made to help this development programme, which will be followed by the refurbishment of the Scottish factory.

## Meeting

There was little ceremony about the meeting between Government *officials* and Chrysler executives yesterday. In London, the documents were signed on the Government side by Mr. Richard Bullock, Deputy Secretary at the Department of Industry, and the senior civil servant most closely involved in the scheme.

Signatories for Chrysler Corporation were Mr. Gwain Gillespie, vice-president for Europe, Mr. Gilbert Hunt, chairman *of Chrysler* U.K. and Mr. Don Lander, managing director of Chrysler U.K.

In Detroit, the signature of Mr. Eugene Cafiero, president of the group, was witnessed by British officials.

No cheques were handed over yesterday, and it is not known as yet how much the company feels it needs to meet its immediate requirements, although the Government is committed to fund losses of up to £50m. this year.

The company also stressed yesterday that it is for commercial reasons unlikely to spell out the terms of the agreement in any more detail than has already been announced by the Government.

Chris Baur writes: At Linwood, the motion to accept the Government's proposals was carried by a large majority.

Major factor in the vote was the *proposal* of the company to cut the proposed redundancies at Linwood from 3,000 next month to 1,500 with continuation of short-time working until production of the Avenger car has been fully transferred from the Midlands to the Scottish factory by August.

Mr. John Carty, shop stewards' convener, said the meeting had voted against a proposal to reject the Government's rescue *proposals*.

"We do not like the position but the alternatives were worse. Our aim has been to retain Chrysler in Scotland and I think we have achieved that. We are hopeful that the foundations will be laid for a build-up in future."

# Sandilands group sets time-table

Financial Times Reporter

THE steering group set up by the accountancy bodies to implement the Sandilands system of inflation accounting is hoping to produce a discussion document by the end of this year or early in 1977.

This would allow an agreed standard to be promulgated by the Accounting Standards Steering Committee in the autumn of next year in time for current cost accounting to be applied to company accounts for all periods beginning after December 24, 1977.

There are, however, considerable doubts among accountants as to whether this ambitious timetable will prove feasible, and these have been recognised in the steering group's terms of reference by a qualification to the end-1977 target for the adoption of inflation accounting.

Formation of the 12-strong steering group has already been delayed two weeks by difficulties in securing a balanced representation of views and interests.

The full list of the group's membership, as announced by the Consultative Committee of Accountancy Bodies last night, contains in addition to the chairman, Mr. Douglas Morpeth, a partner in Touche Ross, the names of two other practising accountants—Mr. Ian Davison, managing partner, Arthur Anderson, and Mr. I. M. Bowie, a partner in Peat, Marwick, Mitchell.

Four industrial accountants are also included: Sir Ian Morrow, chairman of the Laird Group, Mr. J. Pearcy, deputy chief accountant, ICI, Mr. Stanley Thomson, director of finance, Ford U.K.; and the Hon. G. H. Wilson, financial director, Delta Metal, with two representatives of users of accounts—Mr. D. H. Maitland, managing director, Save and Prosper Group, and Mr. G. M. Nissen, a partner on Pember and Boyle, stockbrokers.

## Working parties

The group's three remaining members are Professor H. C. Edey, Professor of Accounting at the London School of Economics; Mr. R. C. M. Cooper, Under-Secretary, Companies Division, Department of Trade, and Mr. Kenneth Sharp, a past president of the Institute of Chartered Accountants, who last year became Head of the Government Accountancy Service.

The steering group has twice as many members as was recommended by the Sandilands Committee. But it is expected to *divide into several working* parties to tackle different aspects of its task.

The steering group will have its own full-time secretariat and a budget estimated at about £150,000 a year for two to three years.

Men and Matters, Page 12

THE LEX COLUMN

# How to launch a trial balloon

"They have been selling gilts as if they were going out of fashion" a banker acquaintance remarked yesterday; "and come to think of it, maybe they are." *Certainly the market is getting* much more interested in the possibility that the authorities may soon launch at least a trial issue of some novel kind of Government stock—a floating coupon stock, or an indexed one, or perhaps some mixture or novelty no one has yet suggested. It is at any rate an increasingly open secret that there has been a series of policy *meetings—the latest was held* yesterday—at which Bank and Treasury officials have considered such things unusually seriously.

The first point is how any novelty should be launched without upsetting the gilts market itself. This does not really present very much difficulty if it is handled sensibly. A first issue of reasonable size—*brokers seem to feel that* something in the £50m.-£100m. range would offer a fair test—would be issued by tender, along with a clear declaration from the authorities that this was a trial balloon; that is to say, that further issues, or even a tap, would follow if the authorities thought the tender price satisfactory.

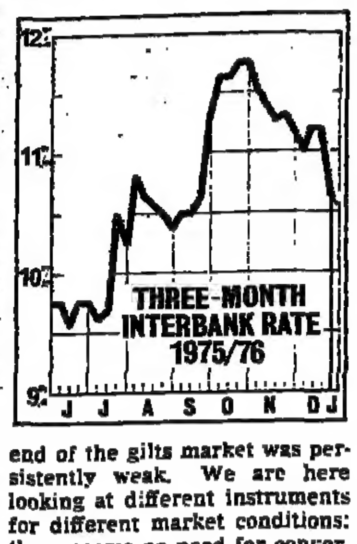
For an indexed bond, a second *step would be necessary. If the* issue was a success, the authorities should declare themselves willing for a period to convert holdings of existing stocks into new kinds of stock at declared prices outside the market.

Some such technique would be necessary, for there is no relevant experience to guide the authorities in their issuing policy. No Government has *made a big issue of floating rate* bonds; and the only country which has made a big thing of indexed Government bonds alongside "gilts" is Finland. There they proved highly popular, and accounted for 70 per cent. of the national debt in a little over three years (it is the possibility of massive switching that makes a conversion offer essential). But *then the yield—only about two* per cent. under non-indexed stock—was highly generous.

No one seems to envisage anything like so small a yield gap in the U.K.: what arouses official interest is the possibility that an indexed bond might take off at a real yield of four per cent. or less, and so cut the near-term cost of funding very sharply.

Floating-rate bonds are another matter altogether. The *protection offered* here is not so much against inflation as against a rise in interest rates: such an issue might go well at a time when, say, New York rates looked likely to rise too high for British comfort, and sell at a time when the long end of the gilts market was persistently weak. We are here looking at different instruments for different market conditions: there seems no need for conversion terms.

**Index fell 3.2 to 381.6**





Two more questions remain about indexed bonds: what index, and what terms? There is a lot of suspicion that some indices—notably the cost of living index—can be fiddled; an index like the GDP deflator, leaving out taxes and subsidies, would be needed, but its unfamiliarity might pose a marketing problem. As for the term of the loan, everything from five years up is proposed: but if the idea is to borrow long, *and to avoid upsetting existing* markets, what is wrong with an indexed Consol? Just an idea.

## Allied Retailers

A year ago, Allied Retailers' share price was 12p, down from an all-time high of 329p, reflecting doubts about the group's financial future with a sharp fall in profits about to be reported: now the shares are 118p, pre-tax profits for the 28 weeks to mid-October have risen from £518,000 to £1.46m. pre-tax and there is a forecast of about £3m. for the full year. The key has been the turnround on the carpet side—up from a tiny profit to over £1m.—reflecting not only a much more favourable supply position but also substantial volume growth as shown by a half-year turnover gain of 80 per cent.

One explanation for the volume push is that Allied has been running up against its reference level—unusually present for a retailer. The impact of this on prices is reflected in "very buoyant" trading for the carpet and furnishing divisions. The latter earns most of its profits during the current six months but even at the half-way stage with HP business proving it was able to report a £77,000 transfer to deferred profit reserve compared with a £189,000 credit to profits six months ago.

The general revival in confidence is reflected in the decision to resume physical expansion with seven new carpet stores due to open between Christmas and July in addition to the previous 29. All this should sustain a prospective p/e of about 7 and a yield of 6.3 per cent. though memories of 1973-74 are likely to keep enthusiasm well below the level at the end of the last bull market.

## Thorn

Thorn's decision to withdraw from the colour TV tube business and close its Skelmersdale plant—owned jointly with B[illegible]—follows a steady decline from peak year profits in 1972-73 of around £3m. The downturn in *the 12 months to the end* March was nearly £7m. for a trading loss of £4.6m., compared with a pre-interest profits to of £77m. In the absence of any Government help or restructuring of the sector, Thorn faced the prospect of increasing losses and a possible deficit for the year to next March of about £5m. Hence the current decision following the closure of the Sunderland monochrome plant a year ago this takes Thorn completely out of consumer tube manufacturing in the U.K.

The group will take the £3.5m. to £4m. of losses to date in at the trading level. Although termination expenses of previous closures—for example, Sunderland and Belgium totalling £4.8m. in 1974-75—have been written off against pre-tax profits, the provisions in this case are likely to be treated as an extraordinary item below the line. The total joint investment in Skelmersdale is around £18m., so depending on the scale of redundancy and other closure costs and the realisation of any assets the write-off could cost Thorn between £7 and £10m. before tax relief compared with shareholders' funds of over £200m.

# Strike may hold up Ford car deliveries

BY CHRISTIAN TYLER, LABOUR STAFF

DELIVERIES of new cars, principally Fords, may soon be affected by a strike of car-transporter drivers that began yesterday.

Unless the dispute is resolved production at some big assembly plants like Ford Motor's Dagenham and Halewood is likely to be halted as parking space for finished cars dries up.

The dispute, over a £6 pay offer linked to productivity, involves 860 drivers and other workers employed by Silcock and Colling, a subsidiary of the U.S. Hertz company, which is the main delivery contractor for Ford but also works for British Leyland, Vauxhall and other companies.

Yesterday drivers at Liverpool and Dagenham voted to strike. Their employers said there was action at three other depots, Langley, Southampton and Newport, but not at Dover or Coventry. The Coventry workers, who handle British Leyland cars, are to vote to-day.

A Ford spokesman said yesterday that since the strikes had begun on the first day of full working after the holiday, there was still enough parking space for the Cortinas and Granadas coming off the Dagenham lines, and for the Escorts and Capris from Halewood. But deliveries to showrooms could be affected by the end of the week.

Ford's "second-line" contractor, Tolman's, is working normally at both Halewood and Dagenham.

At the centre of the Silcock and Colling dispute is an attempt by the company to improve productivity by raising the average speed of its transporters on which daily pay is calculated. The company said it had lost delivery of 100,000 cars last year to competitors, and had been warned by Ford that it was no longer competitive.

It has therefore told its workers, mainly members of the Transport and General Workers' Union, that wages will be raised by the maximum permitted £6 a week only if the average driving speed is raised from 22 mph to 25 mph. This, says the company, would allow it to absorb some of the cost of the wage increase. But the drivers say it amounts to a pay cut of up to 15 per cent.

Other haulage companies use 25 mph or 28 mph as a basis, which has meant that their drivers earnings have customarily been lower than those at Silcock and Colling, a TGWU official said yesterday. Earnings in this type of haulage are "not uncommonly" £100 a week, he added.

If a driver is on a 25 mph basis it means that a journey of, say, 250 miles is considered to be ten hours' work—eight at standard rate and two at overtime rates. If he completes his journey in less time, as he would expect to do if using motorways, he is free to start another job.

Silcock and Colling has told all its workers that unless it raises productivity it will lose more business and may have to add to the 120 redundancies already declared at three depots.

There were no signs of peace talks last night, though it is expected that TGWU national officials may soon be called in.

Continued from Page 1

# Investment intentions

than 1971-72. In those two years, measured at constant prices, it fell by just under 20 per cent. This is very much in line with present estimates for 1975-76.

If the Department of Industry has once again under-estimated *the investment downturn*, the present drop will turn out to be somewhat more severe.

The most interesting aspect of the survey is that the long-term upward trend in investment both in manufacturing and in distribution, which characterised the 1950s and 1960s, has come to an end.

The cyclical peak in manufacturing was slightly lower in 1974 than in 1970. The expected *trough in 1976 will be slightly* lower than the previous trough of 1972 in manufacturing and lower in distribution and services than in any year from 1970 onwards.

International, industrial and political troubles have, of course, contributed to the ending of the long-term investment boom.

But the check both to profits and to investment has been apparent in so many countries under varying political régimes that it is possible that industrial investment has reached a level where it is subject to seriously diminishing returns.

If this is so, the whole strategy of stimulating investment will become increasingly open to question.

Greater-than-average falls in investment are expected in 1976 in metal manufacturing, coal and petroleum and possibly chemicals—all groups whose investment increased against the trend in 1975.

For industry as a whole, expenditure on new building work is expected to fall more than on plant and vehicles.

The Department of Industry's Inquiry covers about 45 per cent. of the capital spending in manufacturing and 40 per cent. of that in distribution and services.

Continued from Page 1

# BSC set for concessions

work for some 200 of their colleagues.

But the corporation obviously hopes that by making the concession on the guaranteed working week, the suspension of which the unions have been hotly protesting, it can break the deadlock that has persisted ever since the management announced on December 11 that it was unilaterally going to introduce the labour economies as from this month.

The management's plan will not be formally withdrawn at Thursday's meeting, as the unions have demanded, but it is believed that BSC may be prepared to suspend further unilateral measures if serious negotiations can get under way on the basis of the compromise plan.

Whether it is sufficient to break the deadlock will only become clearer to-morrow, when the executive of the biggest steel union, the Iron and Steel Trades Confederation, holds a special meeting to discuss the situation.

In the meantime, the ISTC meets BSC to-day for pay talks, the outcome of which could also have some bearing on the conflict over labour economies. The corporation has asked the union to drop its claim for an increase in line with the rise in the cost of living since last October, as foreseen in the current pay agreement.

## MIDLAND BUS FARE RISE SOUGHT

Two bus companies, Trent and Midland General, in Derbyshire *and Nottinghamshire* announced yesterday that they would apply for a 17 per cent. increase in fares. They put in their case for the increase to the East Midlands Traffic Commissioners on February 16.

The new fare scales would operate from the beginning of March.

## Weather

U.K. TO-DAY

RAIN at first, bright, dry later.

London, S.E., S.W., Cent. S. England, E. Anglia, E. Midlands, Channel Is.
Rain, hill fog, brighter, mainly dry later. Winds S.W. Max. 10C (50F).

E., Cent. N., N.E. England
Rain, hill fog, brighter, mainly dry later. Winds W. Max. 9C (48F).

W. Midlands, Wales
Rain. Bright intervals. Winds W. Max. 9C (48F).

N.W. England, Lake Dist., I. of Man, Borders, S.W. Scotland, Glasgow, Argyll, N. Ireland
Rain. Bright intervals. Winds W. Max. 7C (45F).

Edinburgh, Dundee, Cent. Highlands, N.W. Scotland
Cloudy, rain, hill fog. Winds variable or W. Max. 5C (41F).

Outlook: Cloudy, showers or longer rain.

Lighting-up: London 16.43; Manchester 16.42; Glasgow 16.37.

BUSINESS CENTRES

| | | Y'day Mid-day °C | °F | | | Y'day Mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Amstrdm. | R | 9 | 48 | Luxembg. | R | 1 | 34 |
| Bahrain | S | 19 | 66 | Madrid | S | 13 | 55 |
| Barcelona | S | 15 | 59 | Manchstr. | C | 11 | 52 |
| Belfast | C | 9 | 48 | Melbourne | C | 19 | 66 |
| Belgrade | S | 2 | 36 | Mexico C. | S | 18 | 63 |
| Berlin | R | 2 | 36 | Milan | S | 8 | 46 |
| Birmghm. | C | 10 | 50 | Moscow | S | —18 | 0 |
| Bristol | C | 10 | 50 | Munich | C | 2 | 36 |
| Brussels | R | 9 | 48 | Newcastle | R | 4 | 39 |
| Budapest | C | 1 | 34 | Oslo | S | —2 | 28 |
| B. Aires | C | 24 | 75 | Paris | C | 12 | 54 |
| Cairo | S | 18 | 65 | Perth | C | 30 | 86 |
| Cardiff | C | 10 | 50 | Reykjavik | Sn | —3 | 27 |
| Cologne | R | 7 | 45 | Rio de J'o | S | 28 | 82 |
| Copnhagn. | F | 4 | 39 | Rome | S | 14 | 57 |
| Dublin | C | 10 | 50 | Singapore | C | 29 | 84 |
| Edinb'rgh | C | 3 | 37 | Stockholm | Sn | —8 | 17 |
| Frankfurt | R | 5 | 41 | Strasbourg | C | 3 | 37 |
| Geneva | C | 3 | 37 | Sydney | F | 25 | 77 |
| Glasgow | R | 4 | 39 | Tehran | S | 12 | 54 |
| Helsinki | C | —8 | 18 | Tel Aviv | S | 17 | 63 |
| H. Kong | S | 19 | 66 | Tokyo | S | 18 | 65 |
| Jo'burg | R | 17 | 64 | Vienna | C | 0 | 32 |
| Lisbon | S | 12 | 54 | Warsaw | C | —5 | 23 |
| London | C | 11 | 52 | Zurich | C | 2 | 36 |

HOLIDAY RESORTS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 16 | 61 | Jersey | C | 11 | 52 |
| Algiers | S | 17 | 63 | Las Plms. | F | 19 | 66 |
| Biarritz | Fg | 3 | 37 | Locarno | S | 1 | 34 |
| Blackpool | C | 9 | 48 | Majorca | S | 15 | 59 |
| Bordeaux | S | 9 | 48 | Malaga | S | 14 | 57 |
| Boulogne | C | 9 | 48 | Malta | S | 16 | 61 |
| Casablnca. | F | 17 | 63 | Nairobi | S | 21 | 71 |
| Cape Tn. | S | 26 | 80 | Naples | S | 12 | 54 |
| Corfu | S | 12 | 54 | Nassau | S | 24 | 75 |
| Dubrovnik | S | 8 | 46 | Nice | S | 13 | 55 |
| Faro | S | 15 | 59 | Nicosia | S | 17 | 63 |
| Florence | F | 7 | 45 | Oporto | S | 12 | 54 |
| Funchal | S | 18 | 64 | Rhodes | F | 11 | 52 |
| Gibraltar | F | 15 | 59 | Salzburg | C | 0 | 32 |
| Guernsey | C | 10 | 50 | Tangier | S | 17 | 63 |
| Innsbruck | C | 0 | 32 | Tenerife | S | 14 | 57 |
| Inverness | Sn | 2 | 36 | Tunis | C | 13 | 55 |
| I. of Man | C | 10 | 50 | Valencia | S | 13 | 55 |
| Istanbul | C | 2 | 36 | Venice | F | 8 | 46 |

S—Sunny. F—Fair. Fg—Fog. C—Cloudy. R—Rain. Sl—Sleet. Sn—Snow.





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